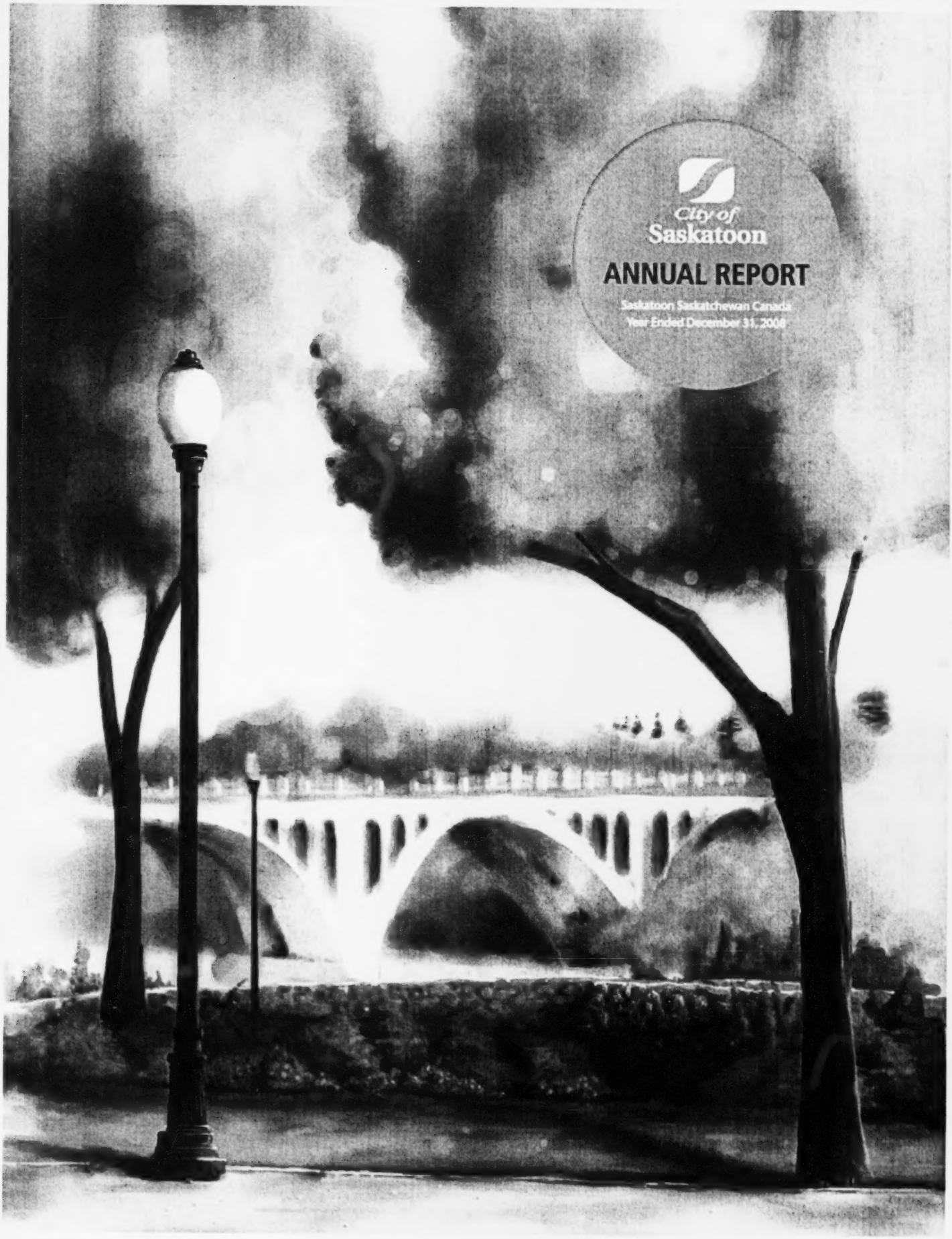

City of
Saskatoon
ANNUAL REPORT
Saskatoon Saskatchewan Canada
Year Ended December 31, 2008

Vision

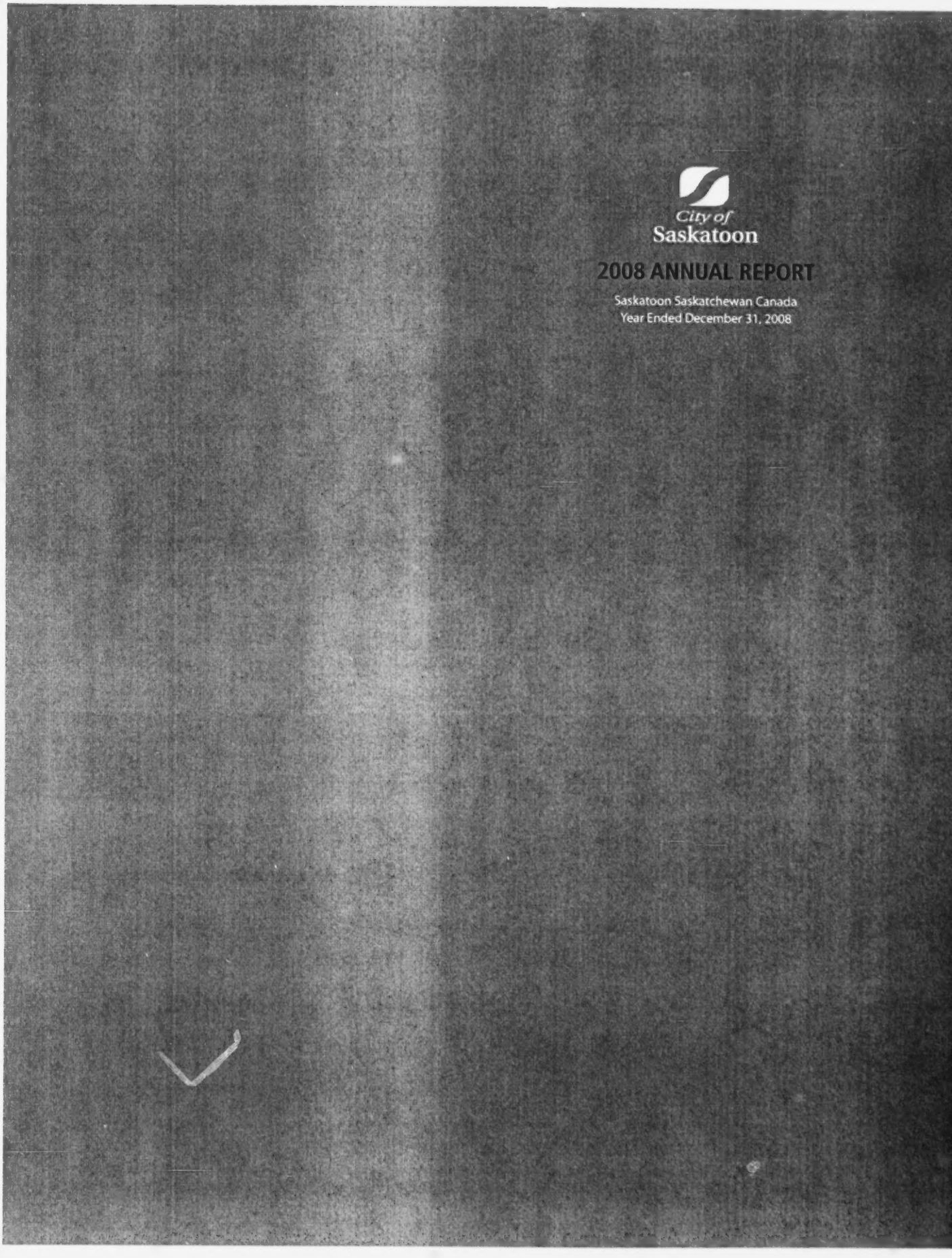
Our vision for Saskatoon, building on our history, includes an enhanced quality of life; a vibrant economy; responsible, progressive environmental management; continued river valley stewardship; recognizing the diversity of neighbourhoods while promoting a united community; planned growth; and regional and global opportunities.

Mission

Our corporation, the City of Saskatoon, exists to provide excellent local government through leadership, teamwork, partnership, and dedication to the community. We will facilitate effective and efficient delivery of public services and nurture the economic, environmental, social, and cultural well-being of the community, now and in the future.

Values

In order to achieve our vision, we commit ourselves to quality service, fiscal responsibility, high performance, respect for others, providing open and accountable government, a supportive work environment, and a cooperative spirit.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Saskatoon
2008 ANNUAL REPORT
Saskatoon Saskatchewan Canada
Year Ended December 31, 2008

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City of
Saskatoon

City of Saskatoon 2008 Annual Report
Year Ended December 31, 2008
Saskatoon Saskatchewan Canada

Prepared and produced by City of Saskatoon
Comptroller's Branch and Communications Branch

Presented to City Council June 22, 2009

Letter of Transmittal

City of Saskatoon

May 30, 2009

His Worship, the Mayor
And Members of City Council

I am pleased to submit the City of Saskatoon's Annual Financial Report for the year ended December 31, 2008. The Annual Financial Report is submitted pursuant to Section 155 of *The Cities Act*. The financial report includes consolidated financial statements for the City of Saskatoon reporting entity as required by the Public Sector Accounting Standards Board (PSAB).

The purpose of this report is to provide financial, statistical and other information about the City of Saskatoon and related entities to allow readers to gain an understanding of the City and the resources available to the City.

The Annual Financial Report consists of the following sections:

> The introduction familiarizes readers with the political and organizational structure of the City and the nature and scope of the services provided by the City;

> The Financial Section includes the Consolidated Financial Statements; and

> The Financial Statement Discussion and the Statistical Section provides additional explanation and trend analysis to provide a broader understanding of the financial statements.

The preparation and presentation of the financial statements and related information contained in this report is the responsibility of management of the City of Saskatoon. The statements have been prepared on a basis consistent with the recommendations of PSAB. Included in the consolidated financial statements are those entities that are accountable to and owned or controlled by the City of Saskatoon. These entities include: the Saskatoon Public Library, Saskatoon Police Services, Saskatchewan Place Inc (operating as Credit Union Centre), Saskatoon Centennial Auditorium (operating as TCU Place), and the Mendel Art Gallery.

City Council appointed the accounting firm of Deloitte & Touche, LLP to perform an independent audit of the City's 2008 financial statements, and their report is included herein. The accuracy and reliability of the financial information is ensured by the City's system of internal controls. The Audit Committee reviews the external auditor's plan, and ensures corrective action is taken for weaknesses identified in the City's internal control system. An internal audit function through the services of Robert Prosser and Associates Inc. also reports to the Audit Committee ensuring internal controls and procedures are in place and adhered to through a series of internal audits and reviews.

As noted, the consolidated financial statements include information on the City's financial position and operating results, along with those of several related entities. The City's operations are typically segmented (General Operating, General Capital, Utility Operating and Capital) for budgeting and reporting purposes. For the purpose of the consolidated financial statements, the financial position and results of all the segments are brought together.

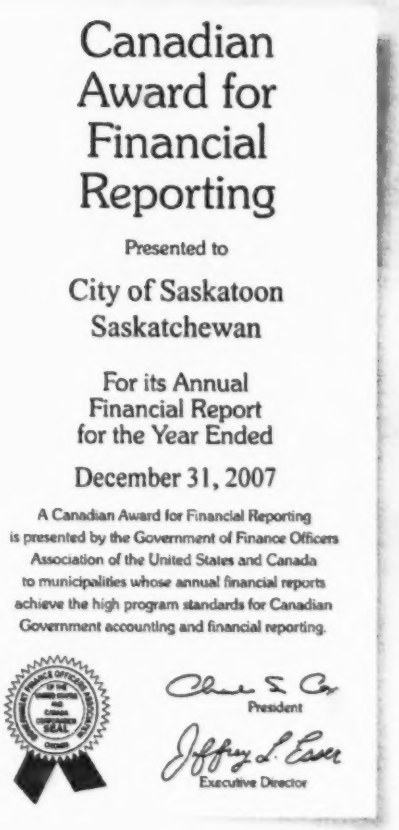
The attached financial statements reveal that the City ended the year with an operational deficit of $1,242,000. The primary reasons for this deficit relate to the increased fuel pricing and a decrease in expected interest revenue. The 2008 deficit was partially covered by an amount from the City's Revenue Stabilization Reserve ($399,050) while the remainder was covered by a transfer from the Plan Review and Inspection Service Stabilization Reserve which has adequate reserve funds resulting from a surplus in the Building Permits Program.

The City's 2008 capital program included planned expenditures of $218,386,000. These expenditures were financed from reserves, development levies, contributions from developers, Federal and Provincial grants, gas tax revenues from the Federal Government and borrowing.

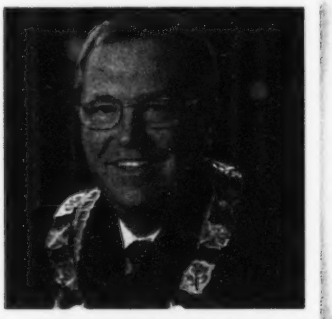
The City continues to receive positive reviews from Standard and Poor's (S&P) which reconfirmed the City's AAA rating.

Respectfully submitted,

Marlys Bilanski, CMA, FCMA
General Manager, Corporate Services


Canadian Award for Financial Reporting
Presented to
City of Saskatoon
Saskatchewan
For its Annual Financial Report for the Year Ended
December 31, 2007
A Canadian Award for Financial Reporting is presented by the Government of Finance Officers Association of the United States and Canada to municipalities whose annual financial reports achieve the high program standards for Canadian Government accounting and financial reporting.
President
Executive Director

Message from the Mayor



Mayor Donald Atchison

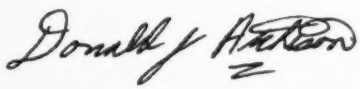
2008 was yet another incredible year. The past thee years have seen unprecedented growth in housing, construction, population, air passenger traffic, and the economy. There was and remains an optimism and entrepreneurial spirit that permeates throughout our community.

Many projects continue to have a significant impact on our city. At River Landing, the excitement is growing as more and more projects reach completion. In June, we welcomed the Prime Minister and Premier to announce funding for the Circle Drive South Project, including the South River Crossing. The Pleasant Hill revitalization is moving forward, new neighbourhoods are being developed, and the Shaw Centre Phase II is getting ready to open in fall 2009.

But I feel our most important initiative is affordable housing. The City is a leader and innovator with our 2008 Affordable Housing Business Plan which offers a wide range of unique housing solutions, such as new rental construction land-cost rebates, increased capital funding, and a proposed land trust, all to help our citizens enjoy safe and affordable homes.

In addition, we have created partnerships with other governments, schools, health regions, non-profit organizations, and businesses, and with the hard work of our employees, will continue to advance projects to serve our citizens. Customer service remains a top priority as we add new online services for the convenience of our residents.

In light of the current economic conditions around us, there are challenges ahead. While not insulated from this downturn, we see the City being well positioned to continue to meet our goals of balanced growth, increased service provision to our citizens, and finding sufficient resources to accomplish our projects on time and on budget.



Donald J. Atchison, Mayor

June 2009

City Council 2006-2009

City of Saskatoon

The City of Saskatoon is governed by an act of legislation of the Province of Saskatchewan known as The Cities Act. The Mayor is the Chief Executive Officer of the City.

Administrative powers and duties have been delegated to the City Manager who is appointed by City Council. The Council consists of the Mayor and ten Councillors, elected for a period of three years. Each Councillor represents a specific ward or area of the city.

Mayor Donald Atchison

Councillor Darren Hill
Ward 1

Councillor Pat Lorje
Ward 2

Councillor Maurice Neault
Ward 3

Councillor Myles Heidt
Ward 4

Councillor Gordon Wyant
Ward 5

Councillor Charlie Clark
Ward 6

Councillor Bob Pringle
Ward 7

Councillor Glen Penner
Ward 8

Councillor Tiffany Paulsen
Ward 9

Councillor Bev Dubois
Ward 10

Message from the City Manager

Murray Totland
City Manager

The Administration is pleased to present the 2008 Annual Report which highlights, in brief, the major civic-related events that occurred in the past year for each of the eleven core strategies identified in the City of Saskatoon Corporate Business Plan.

It is my great pleasure to be presenting this report as the new City Manager for the City of Saskatoon. Our previous City Manager Phil Richards was at the helm for the past 10 years, and left a legacy of effective government that all civic employees aim to uphold.

Looking back at 2008, I am amazed at the scope and diversity of our projects. River Landing continues to lead the way in terms of getting things done. The water play feature was opened for children of all ages to enjoy and the 19th Street reconfiguration has opened up the street and made the linkage more welcoming for pedestrians and motorists. The Founders statue, commemorating Saskatoon's founding fathers, was officially unveiled and serves as a stunning reminder of the partnership between the early settlers and the First Nations community.

The long-awaited Circle Drive South Project officially kicked into gear, with funding from all three levels of government – ensuring that this dream is on its way to becoming reality. The Blairmore Suburban Centre is nearing completion, becoming a major focal point for the community. Our environmental initiatives continued to grow, with accelerated garbage collection conversion, innovative studies on alternative energy sources, and the community was encouraged to carpool, recycle, and conserve energy.

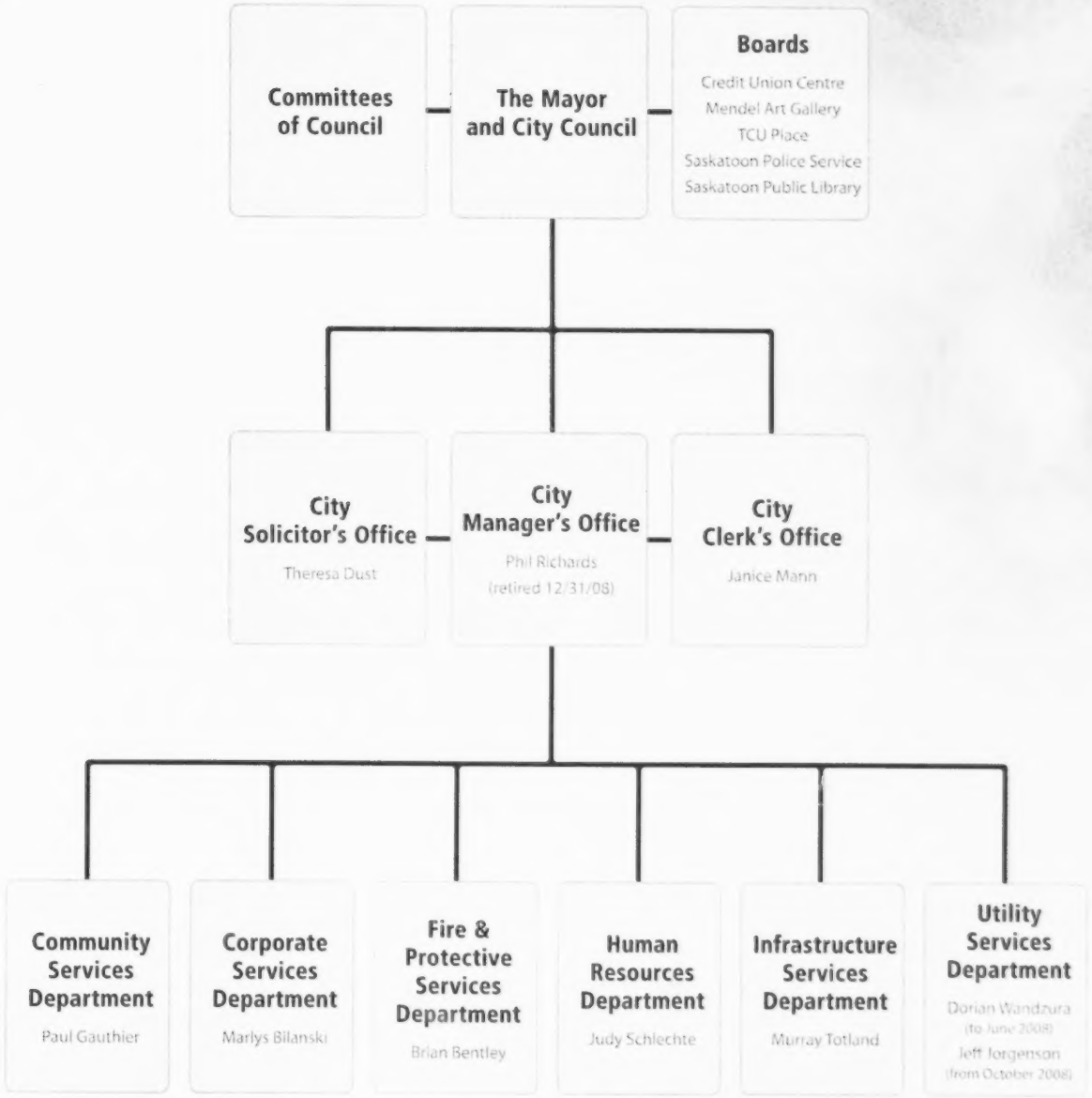
In the coming year, I will assist City Council in ensuring that we have a world-class, dynamic and growing city that meets the needs of and supports all of our citizens. I see Saskatoon setting the bar high for performance from a municipal government. We will be the hallmark example of efficiency that other municipalities will look to for guidance.

Municipal government is the most accessible level of government and touches every citizen -- the streets on which we drive, the water we drink, and the parks we play in. I assure you that the City of Saskatoon will continue delivering programs, services, facilities, and amenities we can all take pride in.

Murray Totland , P.Eng, MBA,
City Manager

June 2009

2008 City of Saskatoon Organizational Chart



Core Strategy: Economic Development

Create an environment that encourages economic development.

River Landing Phase I

Following a Request for Proposal (RFP), the Pavilion Building lease was awarded to "Prairie Fare" and the building opened in summer 2008. The RFP for the riverfront feature building was issued and will be reported to City Council in 2009.

The River Landing Urban Village project received development and building permits.

City Council established a citizens' committee to review potential concepts and uses for a destination complex. The committee will submit a report in late 2009.

Construction on the riverfront boat dock will take place in 2009.

River Landing Phase II

Construction on the riverfront and pumphouse progressed through 2008.

Streetscaping for all areas north of 19th Street was completed and roadways opened in November.

Construction on Isinger Park began and will be completed in 2009.

Plans for the River Green Ecovillage project began, with City Council approving the sale of land, Parcel A, to Prairie Economic Development Corporation (PEDCO). Requests for Proposals to develop the remaining parcels of land are now being drafted.

Servicing of Land for Industrial Use

Sales of Marquis Industrial land proceeded in 2008 with 35 sales totalling 63.74 acres of land valued at $18.3 million. In addition, nine long-term leases of industrial land totalling 26.19 acres were sold.

Balanced Civic Growth

The servicing of Blairmore Phase I began, and will be completed in early 2009.

The Northeast and East Sector Plan Studies are being reviewed and will be submitted to City Council in 2009. The Plans provide a blueprint for growth including neighbourhood boundaries, development phasing, arterial roads, and major trunk systems. Each sector will provide for eight to 10 neighbourhoods, totalling 50,000 people.

A total of 394 lots and three multiple-unit dwelling sites were serviced in Willowgrove. In Hampton Village, 278 lots and one multiple-unit dwelling site were serviced.

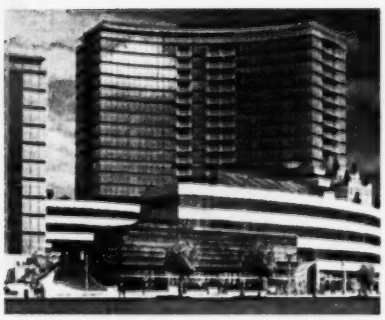
North Downtown Redevelopment

The installation of underground services on 25th Street began and will be completed in 2009.

A team to re-design the downtown Transit terminal to LEED (Leadership in Energy and Environmental Design) certification was approved. Construction on the terminal will begin in 2009.

Blairmore Suburban Centre

The land east of Betts Avenue has been serviced, making way for development of the Blairmore Suburban Centre. Options to purchase a hotel development on Shillington Crescent and three commercial sites on Betts Avenue were approved by City Council. In addition, a proposal call for the sale of a site for rental housing resulted in one proposal for 304 units. A report on this project will be submitted to City Council in early 2009.



Artist's rendering of River Landing Urban Village.

The new Water Play Feature at River Landing.

Future Initiatives 2009-2011: Economic Development

River Landing

Construction on Phase II of the riverfront will continue, including the stabilization of the former A.L. Cole pumphouse, and marketing of the various residential and commercial properties in River Landing.

In 2009, the east-to-west pedestrian pathway over the new pedestrian bridge will open and final riverfront construction on pathways, park entries, soft landscaping, activity area, and the boat dock will begin.

The reconfiguration of 19th Street including surface parking and streetscaping will be completed.

Master Future Growth Plan

The Master Future Growth Plan for the City of Saskatoon will be consistent with the City's Development Plan, which encourages orderly and rational growth that balances the environmental, economic, and social needs of the community.

This project will examine the strategic sequence for land development to the limits of the City's identified future growth sectors. This examination will include infill development, gradual increases to the density of existing neighbourhoods, and expansion into new suburban development areas.

In addition, infrastructure requirements including sewage, water, power and roads for this development will be identified, and the capital costs associated with developing and upgrading this infrastructure will be determined.

Other Initiatives

The accelerated lot servicing program will be completed, with the achievement of inventory limits equal to one construction season.

The development plan and zoning bylaw for both the City's and districts' planning areas will be reviewed. Older neighbourhoods will be re-examined to address needs and preferences of today, and existing neighbourhoods will be densified where appropriate.

The roadway alignment in North Downtown will be finalized, and construction of the 25th Street expansion will begin.

The preliminary design and tender process for a new Saskatoon Police Service facility will be coordinated.

Core Strategy: Service Delivery

Optimize the effective and efficient delivery of services.

Partnerships for Better Service

A public consultation was held to determine the new Willowgrove community centre programs and amenities, and a site footprint for the Saskatoon Public School Division integrated facility was developed.

Expansion of BizPal, the online centre for business start-up inquiries, continued and now includes an additional 297 business types in the BizPal directory.

The Ecological (ECO) Pass, a discounted employee transit pass for use by large employers, was reviewed for best employer practices, and plans to move forward with the program will now begin. The City will explore other potential transit strategies with high schools, post-secondary institutions, environmental groups and seniors.

The Home First Program, an Inspection Services Agreement between the Ministry of Social Services and the City of Saskatoon, was renewed for the

Aerial view of River Landing Phase II.

Aerial view of Hampton Village.

fourth year. Approximately 3,500 rental properties have been inspected to date.

Saskatoon Light & Power leased pole space, underground ducts for communication cables, and fibre optic cables to third parties.

Alternative Service Delivery

Alternative service delivery options, such as public-private partnerships (P3) are being reviewed for capital projects. A business case for a P3 for the future Saskatoon Police Service facility is being developed.

A design-build process, where the contractor performs both functions, began for the Circle Drive South Project. The contractor for this project will be in place by September 2009.

Commercial, renovation and demolition material recycling opportunities were developed in 2008. In addition, the communal back-alley garbage container collection system was converted to individual roll-out cart collection for 2,300 homes.

Partnering with the University of Saskatchewan

A new agreement with the University of Saskatchewan Students' Union will see the Universal Bus Pass (UPASS) Program continue. The agreement calls for increases to bus fares based on the Consumer Price Index.

A Transportation and Infrastructure Centre of Excellence between the City and the University of Saskatchewan was created to advance Saskatchewan innovation and transportation. The Centre will also share research with industry on ideas such as "green" roads.

A new joint sustainability committee will allow both the City and the U of S to build on each other's successes and strengths in moving forward on more efficient environmental-related programming.

Adaptive Re-use Plans

While continuing to operate the Harry Bailey Aquatic Centre as an aquatic facility, the City will investigate converting the bleacher space into program or office space. With the opening of Shaw Centre Phase 2, program space at Harry Bailey will increase, and a plan for the space with new programs will be developed and implemented by fall 2009.

City Council approved the Master Plan for Gordon Howe Bowl, including a phased construction and financing plan. Work with user groups to develop a business plan and determine their contribution to the capital construction and operating costs is underway.

Service Level Standards

A series of reports outlining the inventory and condition of paved streets and sidewalks was forwarded to City Council.

Further reports introducing service level standards for paved streets and sidewalks, water, and sewer will be forwarded to City Council in 2009.

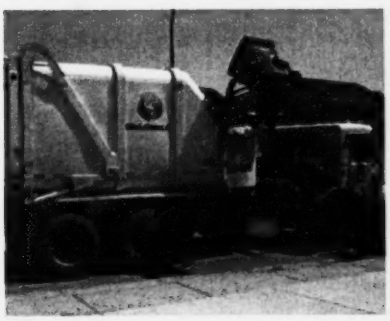
Future Initiatives 2009-2011: Service Delivery

Alternative business models will be reviewed for Saskatoon Light & Power, Solid Waste Management, Water and Wastewater Treatment, and the Storm Water Utility.

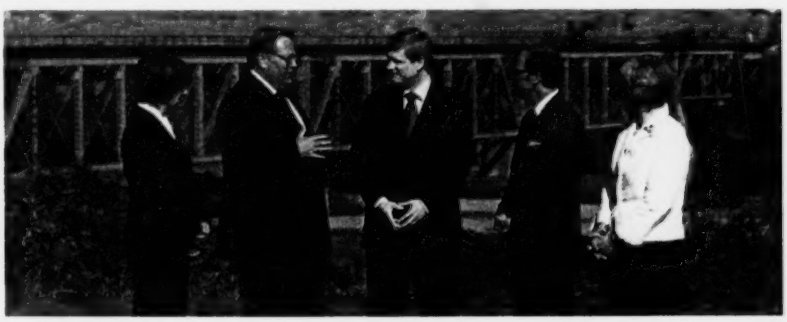
Partnership opportunities to enhance services and leverage resources will be pursued. For example, "Communities of Tomorrow" is a university, municipal and provincial government partnership that will create a centre of excellence for innovative infrastructure solutions and sustainable communities in Saskatchewan.

A program plan and site design for the City Gardener's site will be developed through public consultation, with park construction scheduled for 2010.

The City is exploring the implementation of a new fare collection system and rider rewards program at Saskatoon Transit.



In 2008, 2,300 homes were converted to front street garbage collection.



MP Lynne Yelich, Mayor Donald Atchison, Prime Minister Stephen Harper, Premier Brad Wall, and MP Carol Skelton at the site of the future South Bridge. Prime Minister Harper was in Saskatoon in June 2008 to announce funding for the Circle Drive South Project.

Core Strategy: Customer Service

Customers come first - provide responsive and flexible customer service.

Online Services

Improvements to customer service continued in a number of areas. Since summer 2008, approximately 2,049 water meter readings were submitted online, and 7,100 parking tickets were paid online (over 13% of all parking tickets). In 2009, utility accounts will be posted online. An interactive map (iMap Saskatoon) is being developed and will be included in the launch of the City's new website. The map allows users to view roads, aerial photographs, schools, leisure facilities, sporting fields, wards, neighbourhoods, parks, and points of interest.

Civic Service Ratings

The annual Civic Services Survey showed that 90% of residents rate the quality of life in Saskatoon as good or very good (a slight decrease from 92% in 2007). Regarding civic services, 88% of residents are either satisfied or very satisfied (a decrease from 93% in 2007). Eighty-seven percent of residents feel they receive good or very good value for their tax dollars (an increase from 2007's rating of 85%). Eighteen percent of residents say crime and policing are the most important issues -- this number decreased from 19% in 2007.

Environmental Programming

A pesticide education program was conducted in partnership with the Saskatchewan Environmental Society in the City Park and Nutana areas. Seventy-five percent of those area households wanted to go pesticide-free in 2008 and are working toward this goal.

Accessibility Programming

The fully-accessible Morris T. Cherneskey playground was completed in 2008. As capital funding permits, fully-accessible playgrounds will be constructed in W.W. Ashley Park and Ashworth Holmes Park to ensure each Saskatoon quadrant has equal access to such parks.

The Implementation of the Accessibility Action Plan summary report was submitted and includes a capital project to begin the implementation of Action Plan priorities (infrastructure, snow removal, and transit).

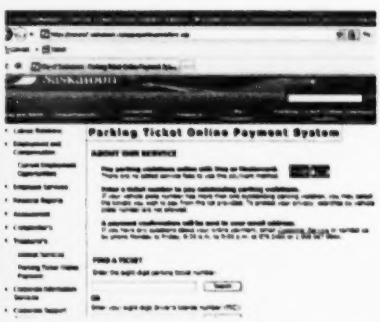
The discount bus pass/LeisureCard expansion pilot project was completed. Free LeisureCards will be available to low income residents on an on-going basis.

Construction began on the new education centre at Saskatoon Forestry Farm Park & Zoo. The centre will be completed and programming will begin in spring 2009.

Future Initiatives 2009-2011: Customer Service

- Online service enhancements will continue.
- The Accessibility Action Plan will be operationalized.
- An inventory of surface infrastructure and civic facilities not meeting new accessibility standards will be taken.
- The City will continue to adapt to customer communication preferences through implementing targeted blogs to engage with residents.

Construction of the Morris T. Cherneskey fully-accessible playground.



Customers can pay parking tickets online.

Core Strategy: Environmental Commitment

Exercise responsible, progressive environmental management in the provision of all civic services.

Responsible Waste Management

The conversion of back to front-lane garbage collection was completed in Forest Grove, Sutherland, and College Park. A partnership with Cosmopolitan Industries and Saskatoon Curbside Recycling to implement a pilot plastics recycling program has been deferred until 2009.

Water and Wastewater Processes

To maintain high standards in water and wastewater processes, expansion of the Grit and Screen Facility at the Wastewater Treatment Plant was started and will be completed in 2009.

Environmental Management

Two community open houses regarding the proposed wind turbine in Diefenbaker Park were held. A pre-feasibility study was completed to assess combining a hydro-generating station with a whitewater park at the weir on the South Saskatchewan River.

Bicycle safety measures continued with the completion of on-street signing for three bicycle routes and an education plan prepared for Grade 3 students. The design of the Spadina/33rd Street and Lanyon linkages to the Meewasin Valley trail and existing bike trails were completed -- construction of these linkages will begin in spring 2009.

A new sound attenuation ranking system was approved. Monitoring and feedback to City Council will be on-going.

The environmentally-friendly Evergreen Neighbourhood Concept Plan was completed and submitted for approval. The Plan includes features such as the Village Centre Concept, increased density of housing, street layout for optimal solar orientation, preservation of natural features, pedestrian and cyclist connectivity, and rainwater capture. The design also provides for the dedication of lands to continue the Northeast Swale.

Energy and Greenhouse Gas Management

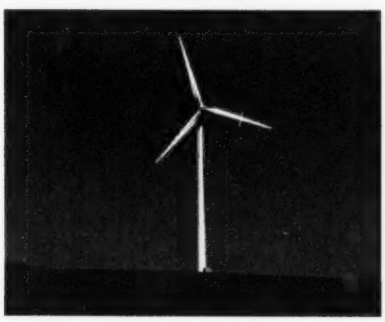
A 1% blend of biodiesel was implemented in the City's transit fleet in 2007, and experimentation with higher blends (i.e. 5%) is taking place. Biodiesel fuel storage and dispensing equipment was purchased and implementation is scheduled for 2009.

A report recommending incorporation of LEED (Leadership in Energy and Environmental Design) standards in all facilities was adopted by City Council. To reduce air pollution and greenhouse gas emissions, an idling guideline policy for all municipal vehicles and equipment was implemented.

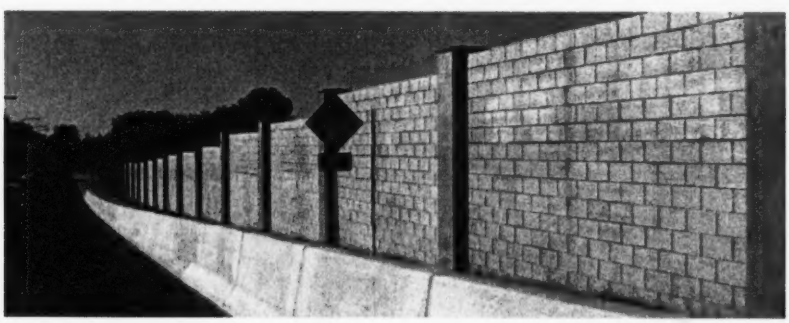
Future Initiatives 2009-2011: Environmental Commitment

The conversion of all back-lane to front-street garbage collection will be completed, and improvements will be made to recycling depots. The City will investigate compost-to-energy and waste-to-energy solutions including collecting landfill gas for use as an alternate energy source.

A new water intake will be constructed and a pilot water conservation program will be implemented. Water rates, including assessment of demand side management programs, will be assessed.



An example of a wind turbine that might be installed in Diefenbaker Park as part of a pilot project on alternative energy.



Sound attenuation walls along the freeway.

Implementation of the bicycle network plan will continue and a Transportation Demand Management strategy will begin to review the usage of bicycles, buses, cars, and pedestrian traffic in Saskatoon.

Environmentally-friendly designs will be incorporated into new neighbourhoods, and the development of a strategic naturalization management plan will be pursued.

The feasibility of electrical generation through wind power, gas reclamation, waste, and hydro energy will be examined.

All new civic facilities (for example, the downtown Transit terminal, Access Transit storage facility, and the new Saskatoon Police Service facility) will be constructed under LEED certification.

Core Strategy: Infrastructure Management

Build, maintain, and operate the City's infrastructure in a manner that maximizes current infrastructure, fosters growth, and is fiscally sustainable.

Planning for Future Growth

Work on the final design of the south river crossing began and will be incorporated into the project's design-build contract, with a contractor to be hired by September 2009.

The Rosewood Concept Plan was approved and servicing of the new neighbourhood began. Private developer lot sales will begin in 2009 and City lot sales may begin as early as 2010.

The neighbourhood concept plan for Evergreen within the University Heights Suburban Development Area is underway and will be submitted to City Council in early 2009.

Infill projects, including a new live/work townhouse on a former vacant industrial site and new multiple-unit dwellings on vacant sites in Caswell Hill, and a multiple-unit dwelling on a former church site in Westmount, continued in 2008.

Infrastructure Projects

Replacement of the Lorne Avenue trunk lift station was tendered and construction will begin in 2009.

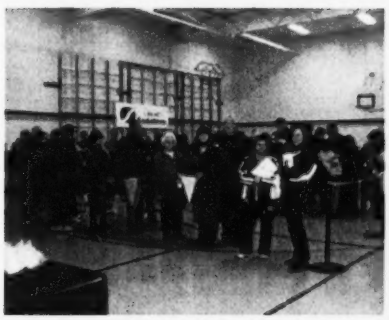
Work to secure long-term funding for the preservation of bridges and structures (Bridge Reserve) continued. A total of $274,800 was included in the 2008 budget for this reserve.

Work on the new Sewer Use Bylaw continued, and implementation will occur in 2009/2010.

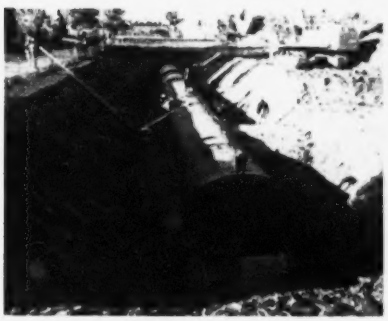
Future Initiatives 2009-2011: Infrastructure Management

New engineering design standards incorporating water loss management will be implemented, and a proactive street light pole mitigation program within the City's service area will be created to deal with aging infrastructure.

Asset management plans will be created for civic property surface and underground infrastructure, water distribution, and wastewater collection.



A crowd is lined up for the free low-flow showerhead giveaway.



New 1.5 million litre sanitary sewage storage tank in Dundonald.

Aerial view of the future Rosewood development site in southeast Saskatoon.

Core Strategy: Aboriginal Partnerships

Build on the strengths of our existing relationships with Aboriginal communities.

Affordable Housing

Through the City's Affordable Housing Program, one Aboriginal affordable housing development was created in 2008, the Central Urban Métis Federation Incorporated (CUMFI) apartment renovation. Work is continuing on a new Cress Student Housing Development.

Employment

The City applied for Urban Development Agreement funding and is currently working with SREDA (Saskatoon Regional Economic Development Authority) on a regional Aboriginal employment program that will establish an inventory of Saskatoon region positions and identify joint pre-employment training initiatives.

In conjunction with Saskatoon Transit and the Gabriel Dumont Institute (GDI), an Aboriginal Transit Operator Training Program was implemented. As a result, the City hired two program graduates.

Saskatoon Fire and Protective Services continued to work with the Saskatoon Tribal Council (STC), Saskatchewan Indian Institute of Technologies, the school boards, and at local job fairs to maximize their exposure to Aboriginal students, government, and interested groups.

The City attended career fairs on reserves, and participated in career fairs in partnership with Tribal Councils in other regions.

Community Development

As part of a partnership to enhance Aboriginal neighbourhood sport, recreation and cultural programs, the City's Aboriginal Programmer was housed within CUMFI. A review of this pilot initiative, and a recommendation that it continue, will be presented to a City Council committee in early 2009.

Future Initiatives 2009-2011: Aboriginal Partnerships

The City will continue to collaborate with Federal, Provincial, and Aboriginal governments to address urban/ Aboriginal issues including affordable housing initiatives, employment and training opportunities, and an Aboriginal wellness program.

The feasibility of an Aboriginal Mechanic Apprenticeship Program in partnership with STC and GDI will be examined.

A Treaty Land Entitlement Education Strategy, partnerships, and resources to assist First Nations to pursue reserve creation and/or development in, or adjacent to, the city will be outlined.

"The Founders" statue was officially unveiled in June 2008, through a partnership between the Whitecap Dakota First Nation and the City of Saskatoon. It depicts Chief Whitecap and John Lake, the founders of Saskatoon, at the site of their first meeting in 1882.

The City of Saskatoon booth at a career fair.

Core Strategy: Community Development

Enable active community-based participation in issue and problem identification and resolution.

Affordable and/or Innovative Housing

The 2008 Affordable Housing Business Plan was updated to set the stage for more affordable and entry-level housing. All plan initiatives are in various stages of implementation. Those that are complete are incentives for secondary suites, priority review for affordable housing, and a Housing Handbook.

A program to promote new downtown housing incentives was well received, with applications for the Rumley Warehouse and the King George development approved.

Nearly all land for the revitalization of Pleasant Hill has been acquired, and two developers were selected to begin construction in 2009. The new St. Mary School was announced, and Grace Adam Park was remediated. Two parcels of land were subdivided and rezoned in preparation for construction. Fifty-six housing units are proposed for Parcels B and D.

Local Area Plan Recommendations

Local Area Planning (LAP) provides residents with an active role in determining the future of their neighbourhood. To date, 139 LAP recommendations have been completed. Sixty others have been started and 72 are pending. The Riversdale Local Area Plan was adopted in 2008, adding 59 new recommendations.

Community Centres and Integrated Facilities

Input from the community was received on programs for the new Willowgrove integrated community centre project, being developed in partnership with the Saskatoon Public School Division. Facility design will be completed in 2009, with construction scheduled to begin in 2010.

Safe and Affordable Neighbourhoods

In order to address deteriorating housing in core neighbourhoods, discussions with the private sector continued to address infill opportunities in older neighbourhoods, and the possible creation of incentives for infill projects with a target of 100 units per year.

Two applications for infill affordable housing developments were approved. An additional application is pending approval under the Rental Rebate Program.

Enhancing Culture

The Cultural Capitals of Canada initiative continued with the public art installation of "The Founders" statue, work on the ArtLab, and the creation of a public art brochure. A framework for a cultural plan for Saskatoon was developed and will be presented to City Council in 2009.

Future Initiatives 2009-2011: Community Development

Work on community facilities will continue with the design and building of the Willowgrove integrated facility, and public consultation on programs for community centres in Stonebridge and Hampton Village.

In collaboration with arts and culture groups, a cultural plan for Saskatoon will be formalized.

Construction continues on the Shaw Centre, with Phase II scheduled to open in summer 2009.

Civic officials unveil the Olympic Flag, as Saskatoon is announced as a stop on the 2010 Olympic Torch Relay.

Core Strategy: Employee Relations

Encourage and support employees to achieve corporate objectives by reaching their full potential.

Enhanced Leadership

Succession planning continued in 2008. The Infrastructure Services Department began an Expression of Interest succession planning pilot process, in which employees self-identify their interest in a current or future position, and are given feedback on the professional development aspects required for the position.

Re-hirement guidelines for retired middle management and out-of-scope staff for project-related work or knowledge transfer were approved.

Recruitment and Retention

Current family-friendly strategies in the corporation were identified by the Human Resources Department, and managers will give practical consideration to work-life balance requests. An enhanced marketing program to develop a brand and communication strategy for recruitment and retention is underway.

Future Initiatives 2009-2011: Employee Relations

Processes for the succession planning model for the entire corporation will be developed and implemented. To create a "wellness culture," wellness and injury prevention initiatives will be integrated within the corporation.

A career enhancement program which promotes and supports employees to stay with the corporation through succession planning, job exchanges, cross-jurisdictional career planning, and corporate tuition/education funding will be designed.

The feasibility of extending the cultural change initiative "Excellence Within Us" throughout the organization will be examined.

Core Strategy: Fiscal Responsibility

Manage the collection, stewardship, and allocation of public funds in the delivery of municipal services in a fiscally responsible way.

Fiscal Responsibility

A number of initiatives are in place to ensure future generations are not financially responsible for benefits received by today's residents. The 2008 Operating Budget included a 5.4% increase in taxation, to provide a continued balance of funding for operations, capital reserves, and current/planned debt repayment.

The "pay-as-you-go" practice for recurring capital investments was maintained. However, some capital reserves have insufficient balances.

Work on a water and wastewater utility cost-of-service and rate review continued, and a study on cost-of-service models will provide information that will support the rate review process for 2010 rates.

Civic employees during a safety campaign photo shoot.

A possible construction levy for the new fire hall is being examined by Administration. Its implementation would require an amendment to The Planning and Development Act.

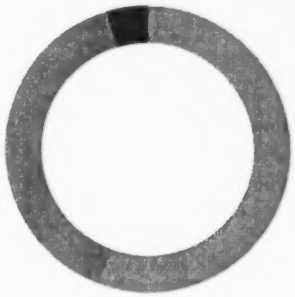
Preliminary estimates of the 2009 Assessed Property Values were mailed to single family houses and condominiums in summer 2008, and the release of preliminary estimates of value for commercial property groups will occur in early 2009, prior to release of the final 2009 Assessment Notices.

Saskatchewan's Big City Mayors requested and received from the Province of Saskatchewan a revised model that ties revenue sharing with provincial source revenues. The model will be in place in 2009.

At the federal level, the City has applied for funding through the Building Canada Program, and is working with Canada's Big City Mayors on infrastructure investments through the federal economic stimulus program.

A capital project prioritization process was developed for the 2009 Capital Budget to assist in the allocation of reserve funding to high priority capital projects that do not have a funding source, and specific reserves where capital funding was insufficient.

2008 Distribution of Property Taxes



55.3% School Boards

40.2% City of Saskatoon

4.5% Public Library

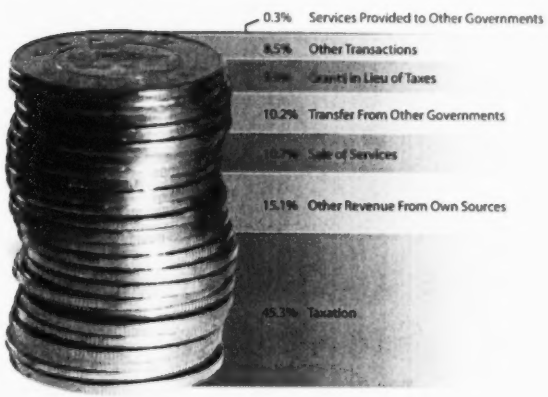
Future Initiatives 2009-2011: Fiscal Responsibility

Power generation projects with the potential to create revenue and offer green credits to the City's environmental footprint will be developed, and the expansion of the City's electrical service area will be investigated.

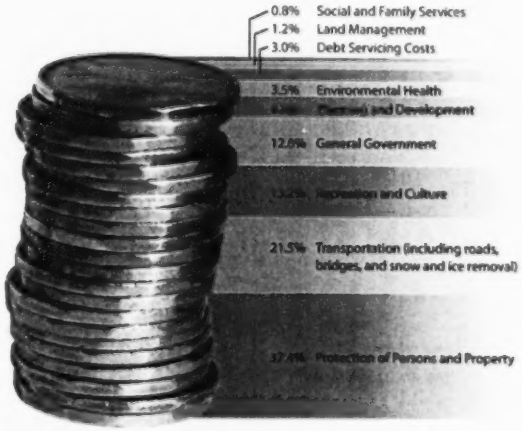
Recommendations from the Public Sector Accounting Board will be implemented to ensure the City's financial statements meet accounting standards, including the reporting of tangible capital assets by the fiscal reporting year of 2009, will be implemented.

A new fleet management system and business practices will be developed.

Where the Money to Run the City Comes From


0.3% Services Provided to Other Governments
8.5% Other Transactions
10.2% Transfer From Other Governments
15.1% Other Revenue From Own Sources
45.3% Taxation

Where Your Municipal Tax Dollars are Spent


0.8% Social and Family Services
1.2% Land Management
3.0% Debt Servicing Costs
3.5% Environmental Health
12.0% General Government
21.5% Transportation (including roads, bridges, and snow and ice removal)

Core Strategy: Multicultural Cooperation

Recognize the cultural diversity of our community and support growth through immigration.

Enhancing Race Relations and Cultural Diversity

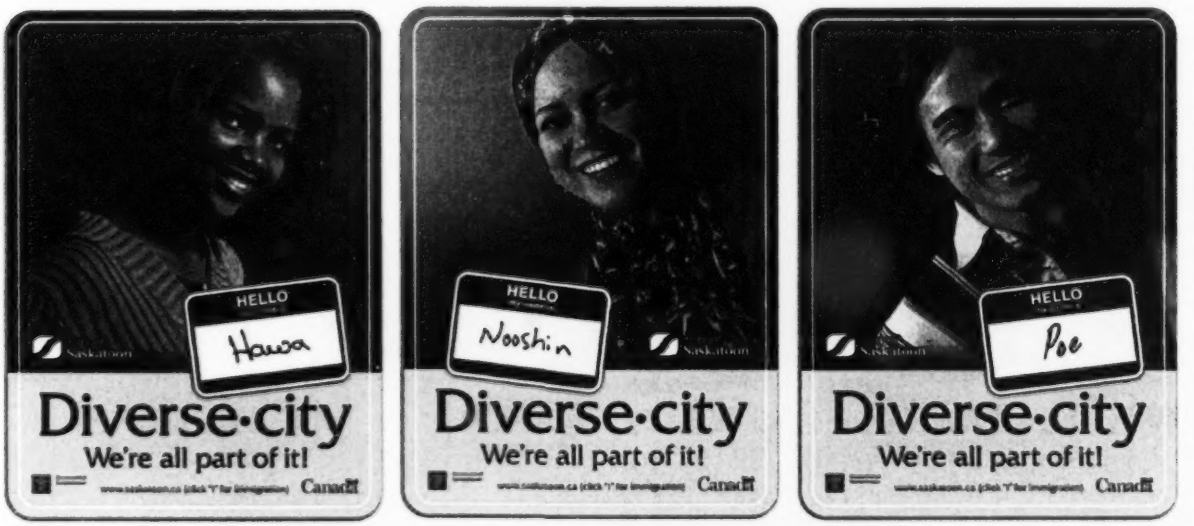
The City worked with the two school boards to host focus group discussions to listen to youth and provide information on addressing racism. A plan to provide education, programs, and/or services for school-aged children to create awareness and acceptance of various cultures will be developed in 2009.

A protocol agreement with the Saskatchewan Human Rights Commission was contemplated to deal with complaints of racism. While the protocol agreement did not proceed, an education partnership agreement between the City and the Commission was signed. The agreement supports the delivery of educational, promotional, and communication services within Saskatoon to better support cultural diversity and reduce discrimination.

Representatives from the municipal, provincial and federal governments formed a steering committee to examine the immigration action plan. An immigration community forum was hosted in March, and a gap analysis report was presented to City Council. In addition, a communication campaign including an immigration awareness utility bill insert, billboards, transit ads, community newsletter articles, updates to the City web site, and presentations to various community groups were given. Five sector-based community forums were also conducted to ensure work on implementing recommendations included in the gap analysis report continues.

Future Initiatives 2009-2011: Multicultural Cooperation

In addition to implementing the immigration action plan, the City will partner with community-based settlement agencies to deliver mentorship programs that help newcomers to Canada gain work experience in their area of study.



Billboards from the 2008 immigration awareness campaign.

Core Strategy: Community Safety

Optimize the safety and security of our community.

Keeping Residents Safe and Secure

Land was purchased and the design was completed on a new southeast fire station. Staff will be hired and construction will begin in late 2009.

The new Emergency Operations Centre (EOC) in Fire Station #9 was completed. The EOC is where a team of trained and experienced professionals gathers off-site to ensure that the overall emergency response is well coordinated and that municipal operations continue to function.

To manage critical incidents specific to Transit, Saskatoon Transit's Security Critical Incident Team was trained to work directly with the City's Emergency Measures Organization. The Team also assessed and prioritized threats and vulnerabilities identified in a security audit, and is training Transit staff to respond to critical incidents.

The Emergency Planning Committee restructured the Emergency Planning Sub-committee to review, update, and exercise all civic department emergency plans.

The Prevention Sub-Committee of the Gang Strategy has completed work on initial education materials. They are also working with the Saskatchewan Native Theatre Company to raise awareness of gang involvement through the creation of a play for elementary students. A web page on this project is targeted for early 2009. City Council will be updated on the status of the Crime Reduction Strategy and the Gang Strategy in early 2009.

Crime Prevention Through Environmental Design (CPTED) principles for application in all major civic developments and neighbourhood designs were adopted, and administrative procedures and policies were adopted to implement a multi-department review process for proposed major civic projects.

Future Initiatives 2009-2011: Community Safety

The Saskatoon Police Service will hire a Crime Free Multi-Housing Coordinator to work with the Community Services and Fire & Protective Services Departments to implement proactive crime-prevention initiatives that focus on partnerships, training, communication protocols and property management standards to reduce the level of illegal and nuisance activity at rental properties.

In conjunction with a review of neighbourhood pedestrian networks, a Safe Routes for School Children Program will be implemented to identify the shortest routes to schools within a neighbourhood and ensure appropriate pedestrian controls are in place.

The City will partner with the Provincial Health Minister and Saskatoon Health Region to address discarded needles in the community.

CPTED (Crime Prevention Through Environmental Design) volunteers during a safety audit in their neighbourhood.

The new Emergency Operations Centre, which will be activated during an emergency or crisis in Saskatoon.

Financial Management and Control

Corporate Planning Process

City Council's current Strategic Plan sets out a vision for the community, a mission statement, and a set of corporate values and strategies. The Administration's three-year Corporate Business Plan is updated annually to support the Strategic Plan. On March 16, 2009, City Council received the current Corporate Business Plan identifying specific initiatives for implementation during the 2009-2011 timeframe. In addition, three-year departmental business plans were developed to ensure progress is made towards the achievement of Council's strategies.

Business plans are used to develop annual budgets. The Capital Budget process decides, based on Council's priorities, which projects will proceed over which timeframe. Long-term capital planning (through the five-year plan) and reserve policies attempt to match required funds to required projects.

The Operating Budget allocates resources under the principle of continuing to deliver existing services and service levels. In addition, it recommends service level changes for specific programs based on a number of factors (usage, demand, ability to pay, growth, legislative change, business case, etc.). Choices are put before Council on issues that have been raised by Council, raised by the public, and/or identified by Administration.

Annual Financial Reports

A number of annual financial reports are submitted to City Council for its information and review, including the financial reports, capital project status reports, performance measurement reports, and the public accounts.

The annual Financial Report includes the consolidated financial statements prepared in accordance with generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. These statements are audited by the City's appointed external auditor.

Financial Policies

The City of Saskatoon operates under a number of financial policies, some of which have received formal approval by City Council; others are based on fiscal responsibility.

Property Tax Policies

In 2001, City Council resolved that commercial property be taxed at 1.75 times the residential rate (to be shifted over a 10 year period) and that the effective tax rate between residential, condominium, and multi-family residential classes be equalized.

Investment Policy

City Council has approved a policy on portfolio management, which ensures that City portfolios are invested to primarily achieve the preservation of capital, the maintenance of liquidity sufficient to meet on-going financial requirements, and to maximize return on investment. Specific guidelines are outlined regarding the type of securities approved for purchase, investment limitations, and term structure.

Reserve Policies

City Council has established reserves through bylaws to fund capital projects, and through policy to provide a source of funds to stabilize specific user pay programs and/or general revenue variances.

The majority of capital work undertaken by the City is funded through dedicated reserves. The purpose, funding source, and withdrawal criteria is specifically outlined within bylaws. City Council approval is required for all withdrawals. The remaining reserves are specifically outlined in policy; a majority of these are used to stabilize specific programs either funded through user fees (golf courses), are dependent upon weather (snow and ice management), or are used to fund overall operations against revenue variances (interest earnings).

Debt Management Policies

The City of Saskatoon has operated primarily under a "pay-as-you-go" philosophy whereby its facilities and infrastructure are built based on current and projected reserve balances. The City Council-approved policy on borrowing for capital projects specifically outlines borrowing only if sufficient funds are not otherwise available in existing reserves or through external sources, if funds will be recovered from future operating revenues or operating savings, and/or it would be equitable to extend the capital financing through borrowing for major capital initiatives to future users.

Services Provided By City Departments

Office of the City Manager

The City Manager is the chief administrative officer of the City of Saskatoon. The position is responsible for planning, directing, supervising, coordinating, and controlling all municipal operations as approved by City Council.

The City Manager's responsibilities include providing assistance and advice on various aspects of municipal operations, investigating and reporting

on all matters referred by City Council and its committees, and submitting the capital and operating budgets to City Council for review.

The City Manager chairs the Management Committee (comprised of all General Managers, the City Solicitor, the City Clerk, and the Chief of Police as a liaison) which is responsible for coordination of all city-wide management and operational matters.

The City Manager is the direct supervisor of all General Managers and through them, all Branch Managers and civic employees (except for those boards which are responsible to City Council). This includes the appointment, promotion, demotion, and suspension of employees of the City, except those employees appointed directly by City Council.

The City Manager conducts or directs such contacts as are necessary with provincial, federal, or other government officials concerning matters of an administrative nature.

Communications Branch

The Communications Branch plans and directs all corporate communication activities for the civic administration including the development and implementation of public, employee, and media relation strategies. The Branch operates in a consultative capacity to Senior Management on communication issues, and acts as an internal consultant for departments who do not have resources dedicated to marketing and communications.

The Communications Branch manages various corporate communication activities including campaigns, advertising, the distribution of news releases, event management, brochure development, and the production of the employee newsletter "Currents."

In coordination with the Emergency Measures Organization, the Branch also administers the Emergency Public Information Plan.

Office of the City Clerk

The primary responsibility of the City Clerk's Office is to administer the City's legislative processes. Responsibilities include: preparing and distributing agendas, minutes, and decisions of City Council and its committees; ensuring that the business of City Council and its committees are conducted in accordance with The Cities Act and other relevant legislation; maintaining corporate records and City Archives; conducting municipal elections, administering the provisions of The Local Authority Freedom of Information and Protection of Privacy Act, and providing administrative support services to City Councillors.

Office of the City Solicitor

The Office of the City Solicitor provides general and specialized legal services for the Corporation. While it reports directly to City Council, the Office also provides legal services to all civic departments and boards. The major areas of responsibility include giving legal advice to City Council, the City Manager, and other civic departments; representing the City at all levels of court; doing all the legislative drafting and all bylaw enforcements for the City; and providing a wide variety of legal work such as land transactions, contracts, and risk management.

Community Services Department

The Community Services Department provides programs, services, and resources to create a community in which people of all ages and cultural backgrounds want to live, work, play, and visit. Through community consultation and the dedication of our employees, we continue to strive for excellence.

Building Standards Branch

The Building Standards Branch issues building and plumbing permits and administers inspection programs related to regulations contained in the Building Bylaw, the Swimming Pool Bylaw, the Uniform Building and Accessibility Standards Act, the National Building Code, and the Plumbing and Drainage Regulations.

Business Administration Branch

The Business Administration Branch provides coordinated support for the following functions: financial accountability; implementation and maintenance of business and information management systems; marketing strategies and communication programs; human resource management; and clerical services.

Planning & Development Branch

The Planning and Development Branch is responsible for overall land use planning and development activity in the City of Saskatoon. The primary goal of the Branch is to build an increasingly sustainable community over time, with an enhanced quality of life, consistent with the vision and core strategies of the City's Strategic Plan. The mandate of the Branch includes primary responsibilities for district planning, future growth, land use and zoning policy, development review, planning for new neighbourhoods, revitalizing existing communities, affordable housing, community safety, community and demographic research, heritage management, and business licensing and bylaw enforcement.

Community Development Branch

The underlying objective behind the Community Development Branch activities is to provide the supportive environment and capacity that empowers members of the community. The Branch is also responsible for the Cultural Diversity and Race Relations Policy.

Land Branch

The Land Branch plans, services, and sells residential, commercial, and industrial lots owned by the City of Saskatoon. The Branch is also responsible for Urban Design which provides design

services for streetscape projects and programs primarily in Saskatoon Business Improvement Districts.

Leisure Services Branch

The Leisure Services Branch ensures that a broad range of sport, culture, parks, and recreation opportunities are available and affordable to residents and visitors. Programming is offered through leisure centres, rinks, a zoo, golf courses, a campground, a speed skating oval, and various park locations.

Corporate Services Department

The City of Saskatoon is a large organization with nearly 2,600 full-time, part-time, and seasonal employees. The Corporate Services Department's role is to help the institution work effectively and efficiently. The Department is responsible for the finance function, information technology and services, purchasing and inventory, and administrative support services within the Corporation. These responsibilities are delivered through four Branches.

Assessment Branch

This Branch is responsible for establishing and providing the assessment of all real property located in the City of Saskatoon in compliance with provincial legislation, producing the assessment roll, and defending such assessments before the Board of Revision and the Saskatchewan Municipal Board.

Comptroller's Branch

This Branch is responsible for providing corporate financial recording, reporting and control; supplier payments; administration of the City's Operating and Capital Budget process; employee payroll and benefits; and payments to superannuates. In addition, general financial management services are provided to all departments and boards.

Corporate Information Services Branch

The mandate of the CIS Branch is to ensure the effective management of the City's information assets and supporting technologies. The Branch's mission is "to assist and enable civic departments to meet their goals and objectives through leadership in technology services and solutions." CIS also provides supply management, printing, and mail services to the corporation.

Treasurer's Branch

This Branch is responsible for the collection, control, and disbursement of all corporate funds, including the investment function. This includes responsibility for the billing and collection of taxes, property taxes, electrical, water and sewer utility services, and matters related to municipal licensing. Other responsibilities include administration of the Animal Services Program and the regulating of the General Licensing Bylaw.

Fire and Protective Services Department

Saskatoon Fire and Protective Services (SFPS) provides twenty-four hour emergency response service in conjunction with the Saskatoon Emergency 9-1-1 Telephone System. This gives residents of Saskatoon an emergency protective services delivery system consisting of a wide range of components for the sole purpose of preventing emergencies and reducing the loss of life and property. SFPS responds to and mitigates emergencies involving the rescue of persons, incidents of fire, unplanned releases of dangerous goods, and pre-hospital emergency medical incidents. SFPS provides community-based, customer-focused service to create a safe and comfortable environment for the residents of Saskatoon.

SFPS protects the City's tax base and supports economic development through extensive inspection, prevention, and enforcement programs carried out by the Fire Prevention and Investigation Division.

The Department's Community Relations Division works within the community promoting fire safety and injury prevention. Presentations are offered to students, community groups, parenting resource programs, seniors, and employee groups. The Division, through Program Firestop, also provides education to parents and children and referral for juveniles suspected of setting fires.

SFPS manages the Emergency Measures Organization, which undertakes to ensure a coordinated and timely response in the event of extraordinary emergencies that overwhelm existing resources.

Human Resources Department

The Human Resources Department consists of three Branches, Employee Services, Employment and Total Compensation, and Labour Relations.

Employee Services Branch

The Employee Services Branch provides services to individuals, workgroups, and departments within the corporation in the areas of occupational health and safety, organization and staff development, as well as on-site Human Resource services to departments.

Employment and Total Compensation Branch

This Branch acts as a central resource for the following areas: recruitment; diversity; classification, job evaluation and pay research; and pension and benefits administration.

Labour Relations Branch

The Labour Relations Branch is responsible for collective bargaining with all unions and associations representing civic employees; implementation,

administration, and interpretation of collective agreements, grievance decisions, and arbitration awards; and timely and accurate advice and counsel to City Council and management regarding labour relations issues.

Infrastructure Services Department

The Infrastructure Services Department is responsible for the planning, operation, and maintenance of many of the City's assets including those involved with water distribution, sanitary sewage collection, storm water collection, roadways, bridges, parks and open spaces, public cemeteries, vehicle and equipment fleet, and City-owned buildings and structures. The Department is organized into six Branches.

Business Administration Branch

The Business Administration Branch is responsible for providing support services to the department in the areas of financial, system support, clerical, administrative, and human resource services.

Facilities Branch

The Facilities Branch is responsible for the City's buildings and structures, the City-owned vehicle and equipment fleet, and the City's radio communications system. As such, the Branch provides for building operation and maintenance of civic facilities such as leisure facilities, fire halls, transit buildings, City office buildings, and contracted services for boards and agencies. Project management services for any capital or maintenance projects are provided, including design, contract tendering and award, and construction management. Energy management, space management, and accommodation planning are also provided for user departments.

Municipal Engineering Branch

The Municipal Engineering Branch provides planning, design, construction, and regulatory services. Major activities include network planning for municipal services, functional and detailed designs, land development, traffic management and operations, parking control and enforcement, construction and project management services, technical support services, and regulatory control through bylaw enforcement.

Parks Branch

The Parks Branch is responsible for the maintenance and preservation of more than 1,000 hectares of the City of Saskatoon's parks and civic open spaces. This is accomplished by utilizing horticultural maintenance standards, maintenance contracts, and policy development. The responsibility of the Branch extends to maintenance of civic green space, parks, and boulevards, as well as maintenance and operation of the Woodlawn and Nutana Pioneer Cemeteries, the Greenhouse/ Conservatory Program, the Pest Management Program, and the Urban Forestry Program.

Public Works Branch

The Public Works Branch is responsible for the operation, maintenance, and preservation of roads, lanes, sidewalks, water mains, sanitary sewer mains, and storm sewer mains.

Strategic Services Branch

The Strategic Services Branch serves to separate the time consuming long-term strategic functions from the day-to-day operations. The Department relies on the Branch to lead engineering policy and procedure development; to coordinate initiatives as required; and to develop and manage long-term strategies for the preservation of the City's key infrastructure assets.

Utility Services Department

A "utility" is simply a service provided to the public for a fee such as electricity, water, or transportation. This Department brings together the majority of utilities that generate revenue from fees charged directly to the user. Utility Services is divided into five Branches.

Business Administration Branch

This Branch is responsible for the business functions of the Department, including utility rate design and analysis.

Environmental Services Branch

The Environmental Services Branch administers programs and capital work relating to the reduction of corporate and community greenhouse gases through the Partners for Climate Protection Program; development, implementation, and maintenance of the corporate Environmental Management System; promotion of environmental and sustainability initiatives; brownfield remediation and environmental site assessments coordination; solid waste collection, disposal, and reduction; landfill operations; waste minimization programming; and laboratory services to support all necessary operational needs and projects of the Water and Wastewater Treatment Plants.

Saskatoon Light & Power

The City of Saskatoon operates an electric utility providing electrical service to the area of Saskatoon that lies generally within the 1958 City boundary. Bulk electrical power is purchased from the provincial Crown utility, SaskPower, and through a system of transmission lines, substations, and distribution lines with associated distribution hardware, this Utility distributes electricity to customers on demand at locations and at voltages appropriate to their needs. The Utility is also responsible for the street lighting system.

Saskatoon Transit

Saskatoon Transit operates and maintains Saskatoon's public transit system. The Branch also provides Access Transit for individuals who are unable to use the regular transit system with safety and dignity. Saskatoon Transit operates six terminals spread throughout the city. Saskatoon Transit's service includes DART (Direct Access Rapid Transit) which serves all major quadrants of the city and can best be described as a light rail system on wheels.

Water and Wastewater Treatment Branch

The Water and Wastewater Treatment Branch is responsible for the operation and maintenance of the City's water and wastewater treatment, the handling and disposal of solids resulting from the treatment processes, the remote water and wastewater pumping facilities, ongoing process optimization and environmental studies, long-term expansion planning, related construction project management and capital work, and the testing and maintenance of water meters.

Boards

Credit Union Centre (Legal name: Saskatchewan Place Association Inc.)

Credit Union Centre, Western Canada's most versatile and exciting trade, sports, and entertainment centre, was built to eventually accommodate over 16,000 patrons. After opening with a fixed seating capacity of 7,700, Credit Union Centre expanded in the fall of 1990 to 11,300 permanent seats.

In the building's short history it has been the site of World and Canadian sporting championships, major concerts, and trade shows, and is the home of the Saskatoon Blades of the Western Hockey League. The hosting of these events brings over 700,000 through Credit Union Centre on an annual basis.

Mendel Art Gallery and Civic Conservatory

The Mendel Art Gallery and Civic Conservatory was opened in 1964 and named to honour Frederick S. Mendel, industrialist and art connoisseur, who established his business and home in Saskatoon in 1940.

Selections from the Gallery's collection are exhibited regularly, along with regularly scheduled contemporary and historical exhibitions of local, national, and international origin. Each year approximately twenty exhibitions are presented without charge for the benefit of Saskatonians and visitors to the city. The Mendel Art Gallery and Civic Conservatory is operated as a civic corporation under a board of appointed trustees.

Saskatoon Police Service

The operations of the Saskatoon Police Service are established under the authority of the Saskatchewan Police Act, Part III, Section 25 and 26, and under the City of Saskatoon Bylaw 5728. The Saskatoon Board of Police Commissioners is appointed by City Council to oversee the police operations and consists of the Mayor, two City Council members, and two citizens-at-large.

The Board is subject to the legislative jurisdiction of the City Council to the extent only that the amount expended for upkeep of the service must not exceed the amount fixed by the current estimates of the Council for that purpose.

The Police Service is equipped and trained for the most current needs in the delivery of a police service in the partnership with the community. They also offer emergency services, take complaints of crime, conduct follow-up investigations and preventative activities throughout the city on a 24-hour basis.

Saskatoon Public Library

The Saskatoon Public Library, which first opened for circulation in May 1913 in the basement of the Odd Fellow's Hall, is now a city-wide system consisting of the central library and six branches, with a seventh, The Library on 20th Street Branch, opening in the summer of 2009. The Library is supported by city taxation and provincial government grants, but direct service to each Saskatoon resident is free of charge.

The Library is a community resource centre, offering books, DVDs, CDs, CD-ROMs, magazines, newspapers, maps, audio cassettes, public computers with internet service, telephone books, pamphlets, government documents, trade directories, indexes, and other materials and programs to meet public informational, educational, and recreational needs. City Council minutes, reports, studies, and other civic material are available and may be consulted in the Library.

An automated circulation system operates in the central library and branches. The host computer is housed in the Frances Morrison (central) Library. This facility makes the collection of the entire system more accessible to all users and allows the Library a much more accurate inventory of the location of materials at any given moment.

TCU Place (Legal name: Saskatoon Centennial Auditorium and Convention Centre Corporation)

TCU Place was a project to commemorate the centennial of the founding of the Dominion of Canada. It is an imposing and beautiful building in the heart of the city, adjacent to a major shopping complex, steps away from first-class hotels, restaurants, boutiques, and parking facilities for 2,000 cars. The facility is equipped with sophisticated aids for audio, visual, stage, or exhibit requirements, maintains an in-house

catering/banquet service, and is part of a province-wide box office. TCU Place's 2,000 soft-seat concert theatre has brought heartwarming praise from numerous world class entertainers and artists, touring companies, ballet companies, and local and international performing art groups, and is home of the Saskatoon Symphony.

A recent expansion created an additional 52,000 square feet, bringing the total area to 104,000 square feet of high-end convention space. TCU Place is poised for the large sized national and international convention market, with first-class convention facilities and services.

In addition, the Box Office is part of the Ticketmaster ticket distribution system that sells tickets not only for TCU Place but also Credit Union Centre and other venues across Canada. TCU Place is owned by the City of Saskatoon and is operated by the Saskatoon Centennial Auditorium and Convention Centre Corporation. The Corporation, as well as the Saskatoon Centennial Auditorium and Convention Centre Foundation, consists of a Board of Directors with representation from City Council and the general public.

FINANCIAL REPORT
City of Saskatoon
Saskatchewan Canada

Management's Report

City of Saskatoon

The accompanying Consolidated Financial Statements and all other information contained in this Annual Report are the responsibility of management. The Consolidated Financial Statements have been prepared by management in accordance with Canadian generally accepted accounting principles for local governments established by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants (CICA). The preparation of the statements necessarily includes some amounts which are based on the best estimates and judgements of management. Financial data elsewhere in the Annual Report is consistent with that of the financial statements.

To assist in its responsibility, management maintains accounting, budget and other controls to provide reasonable assurance that transactions are appropriately authorized and accurately recorded, that assets are properly accounted for and safeguarded and that financial records are reliable for the presentation of financial statements.

The Audit Committee of the City of Saskatoon comprises five elected officials who are appointed annually. The Committee recommends the engagement of the Internal and External Auditors, approves the annual and long-term audit plans, reviews the audit reports and the audited financial statements for presentation to City Council.

Deloitte & Touche, LLP, Chartered Accountants, the City's appointed external auditors, have audited the Consolidated Financial Statements. Their report to the Mayor and City Council, stating the scope of their examination and opinion on the Consolidated Financial Statements, follows.

Murray Totland, P.Eng, MBA
City Manager

Marlys Bilanski, CMA, FCMA
General Manager, Corporate Services

June 22, 2009

Auditors' Report

Deloitte & Touche LLP Chartered Accountants

His Worship the Mayor and City Council:

We have audited the Consolidated Statement of Financial Position of the City of Saskatoon as at December 31, 2008 and the Consolidated Statements of Financial Activities and the Changes in Financial Position for the year then ended. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the City of Saskatoon as at December 31, 2008 and the results of its operations and its changes in financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements. The current year's supplementary information included in the schedules and appendices is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relations to the basic financial statements taken as a whole.

Deloitte & Touche LLP

Chartered Accountants
Saskatoon, Saskatchewan

April 24, 2009

Consolidated Statement of Financial Position

As at December 31, 2008 (in thousands of dollars)

	2007	2008
Assets		
Cash and Cash Equivalents (Note 2)	$ 64,244	$ 76,297
Taxes Receivable (Note 3)	6,468	7,263
Accounts Receivable and User Charges (Note 3)	107,210	106,858
Loan Receivable (Note 4)	6,297	5,912
Land Inventory for Resale	20,728	41,531
Other Assets (Note 5)	5,366	5,167
Investments (Note 6)	147,790	150,554
Accrued Pension Asset (Note 8)	65,012	63,799
Total Financial Assets	423,115	457,381
Financial Liabilities		
Accounts Payable and Accrued Liabilities (Note 9)	85,144	106,842
Deferred Revenue (Note 10)	66,561	70,865
Long-Term Liabilities (Note 11)	47,656	89,144
Employee Benefits Payable (Note 12)	20,310	21,419
Total Financial Liabilities	219,671	288,270
Total Net Financial Assets	203,444	169,111
Net Assets		
Prepaid Expenditures	1,290	2,630
Inventory of Materials and Supplies	9,428	9,586
Total Non-Financial Assets	10,718	12,216
Total Net Assets	$ 214,162	$ 181,327

See accompanying notes.

Consolidated Statement of Financial Activities

For the Year Ended December 31, 2008 (in thousands of dollars)

	2007	2008	2008 Budget (Unaudited)
Revenues			
Taxation	$ 119,171	$ 128,320	$ 127,741
Grants in Lieu of Taxes	4,147	4,345	4,305
User Charges	220,008	234,465	237,157
Federation of Canadian Municipalities	52	35	-
Government Transfers (Note 14)	46,224	63,982	42,081
Investment Income	10,757	12,690	9,514
Contribution from Developers	106,138	77,011	11,550
Other	58,451	62,703	60,290
Total Revenues	564,948	583,551	492,638
Expenditures			
General Government	24,602	25,978	24,479
Transportation	102,005	94,337	91,709
Protection of Persons and Property	94,670	94,334	102,435
Recreation and Culture	80,575	110,569	71,854
Social and Family Services	2,429	2,212	2,022
Planning and Development	20,012	27,487	22,979
Property Purchases and Development	79,867	79,001	75,137
Saskatoon Light & Power	83,096	86,346	98,225
Environmental Health	65,842	85,755	112,758
Debt Servicing Costs	6,728	10,367	11,146
Total Expenditures	559,826	616,386	612,744
Excess (Deficiency) of Revenues over Expenditures	5,122	(32,835)	(120,106)
Net Assets, Beginning of Year	209,040	214,162	
Net Assets, End of Year (Note 13)	$ 214,162	$ 181,327	

See accompanying notes.

Consolidated Statement of Changes in Financial Position

For the Year Ended December 31, 2008 (in thousands of dollars)

	2007	2008
Cash Flows from (used in) Operating Activities:		
Excess (Deficiency) of Revenues over Expenditures	$ 5,122	$ (32,835)
Changes in Non-Cash Items		
Taxes Receivable	1,996	(795)
Accounts Receivable and User Charges	(38,357)	352
Loan Receivable	375	385
Land Inventory for Resale	(6,478)	(20,803)
Other Current Assets	785	199
Accrued Pension Asset	(5,543)	1,213
Prepaid Expenditures	560	(1,340)
Inventory of Materials and Supplies	(768)	(158)
Accounts Payable and Accrued Liabilities	9,027	21,698
Deferred Revenue	52,748	4,304
Employee Benefits Payable	776	1,109
Total Cash from (used in) Operating Activities	20,243	(26,671)
Cash Flows used in Investing Activities:		
Net Increase in Investments	(2,763)	(2,764)
Cash Flows from (used in) Financing Activities:		
Debentures Issued	9,645	47,100
Long-Term Net Debt Repaid	(4,708)	(5,612)
Total Cash from Financing Activities	4,937	41,488
Net increase in Cash and Cash Equivalents	22,417	12,053
Cash and Cash Equivalents at beginning of period	41,827	64,244
Cash and Cash Equivalents at end of period	$ 64,244	$ 76,297

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2008 (in thousands of dollars)

1. Accounting Policies

The consolidated financial statements of the City of Saskatoon (the City) are prepared by management in accordance with generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants (CICA). Significant aspects of the accounting policies adopted by the City are as follows:

a. Basis of Consolidation

i. Reporting Entity

The consolidated financial statements reflect the assets, liabilities, revenue, expenditures and fund balances of the reporting entity. The reporting entity is comprised of all organizations and enterprises accountable for the administration of their financial affairs and resources to the City and which are owned or controlled by the City, namely:

- General Revenue and Capital Funds
- Board of Police Commissioners
- Wastewater Utility
- Storm Water Management Utility
- Water Utility
- Saskatoon Light & Power
- Transit Utility
- Mendel Art Gallery
- Centennial Auditorium (Operating as TCU Place)
- Saskatchewan Place (Operating as Credit Union Centre)
- Saskatoon Public Library
- Reserve Funds

All interfund loans, other than normal trade accounts payable/receivable, have been eliminated through the consolidation. Schedule 5, and supporting Appendices 1 to 7, include only those revenues and expenditures reflected in the City's annual Operating Budget, which is prepared to identify the City's property tax requirements. Excluded from this Schedule are the operations of the Mendel Art Gallery, TCU Place, Credit Union Centre, Saskatoon Public Library, and the Sinking Fund.

ii. Trust and Pension Funds

Trust funds (see Note 17) and pension funds and their related operations administered by the City are not reflected in the consolidated financial statements.

iii. Accounting for School Board Transactions

The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the school boards, are not reflected in the municipal fund balances of these financial statements. Amounts due to/from school boards are reported on the Consolidated Statement of Financial Position as accounts payable/accounts receivable.

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2008 (in thousands of dollars)

1. Accounting Policies *(continued)*

b. Basis of Accounting

i. Revenues

Revenues are accounted for in the period in which the transactions or events occurred that gave rise to the revenues. Funds from development charges for services that have not yet been provided at the time the charges are collected are accounted for as deferred revenue until used for the purposes specified. Expenditures are accounted for in the period the goods and services are acquired and a liability is incurred or transfers are due.

ii. Property Tax Revenue

Property tax revenue is based on assessments determined in accordance with Saskatchewan legislation and the formulas, principles and rules in the Saskatchewan Assessment Manual. Tax mill rates are established annually. Taxation revenues are recorded at the time tax billings are issued. Assessments are subject to appeal. A provision has been recorded in Accounts Payable and Accrued Liabilities for potential losses on assessment appeals outstanding as of December 31, 2008.

iii. Inventories for Resale

Inventories held for resale are valued at the lower of cost and net realizable value. Cost is determined using average laid-in costs. Inventories of materials and supplies represent amounts to be financed in future years as these inventories are consumed.

iv. Land Inventory for Resale

Land inventory for resale is recorded at the lower of adjusted cost and net realizable value. Adjusted cost includes amounts for land acquisition and improvements to prepare the land for sale. Land is available for resale when approved for sale by the Land Bank Committee and when all municipal services have been completed.

v. Capital Outlay Financed by Long-Term Liabilities to be Recovered in Future Years

Capital outlay financed by long-term liabilities to be recovered in future years represents the outstanding principal portion of unmatured long-term liabilities for municipal expenditures, less Sinking Fund requirements (see Note 11).

vi. Capitalization

The historical cost and accumulated depreciation for physical assets are not recorded for municipal purposes. Physical assets are reported as an expenditure on the Consolidated Statement of Financial Activities in the year of acquisition. The proceeds from debt issues for those physical assets financed by long-term indebtedness are reported on the Consolidated Statement of Financial Activities as amounts to be recovered.

vii. Investments

All investments are recorded at cost less any amounts written off to reflect a permanent decline in value. Premiums and discounts are amortized over the life of the investment. Investment transactions are accounted for at the settlement date. Investment income is recorded on the accrual basis.

viii. Development Charges

The City receives, either from private developers or as a result of the sale of its own developed properties, levies for services which have not yet been provided at the time the levies are collected. These revenues are not recognized until the applicable expenditures for such services are incurred.

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2008 (in thousands of dollars)

1. Accounting Policies *(continued)*

b. Basis of Accounting *(continued)*

ix. Property Development

The City is one of the primary property developers in the municipality. Expenditures relating to the servicing of new subdivisions within the City are charged against the prepaid services account (which forms part of the unexpended capital financing – see Note 13). Proceeds from the sale of lots are credited to the prepaid services, land bank, or Property Realized Reserve for the applicable portion attributable to services or to land. Any property purchased for future land development is funded by the Property Realized Reserve.

x. Government Transfers

Government transfers are recognized in the financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, eligibility criteria have been met, and reasonable estimates can be made.

xi. Superannuation Contributions

The City of Saskatoon makes contributions to the General Superannuation, Part-Time and Seasonal Employee Superannuation, Police Superannuation, and Fire and Protective Services Department Superannuation Plans on behalf of its staff. Pension expenditures are recorded based on current service requirements and have been included as an expenditure in the current year.

xii. Use of Estimates

The preparation of consolidated financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and may have an impact on future periods.

xiii. Segmented Reporting

In April 2006, the CICA added Section PS2700, Segment Disclosures. This section establishes standards on how to provide for meaningful segmented reporting in government financial statements and is applicable to financial statements for fiscal years beginning on or after April 1, 2007.

Segmented information on the Consolidated Financial Activities is presented on Schedule 4. It is based on capital and operating services for both utilities and the general City programs, plus information on the Saskatoon Public Library, Mendel Art Gallery, TCU Place and Credit Union Centre.

xiv. Derivative Financial Instruments

The City has entered into two interest rate swap agreements with the Royal Bank of Canada in order to manage the interest rate exposure associated with its Banker's Acceptance loans. The agreements arrange for the exchanging of the floating interest rate cash flows from the underlying debt instruments with fixed interest rate cash flows based on a notional amount. Because the long-term swap agreement effectively and completely hedges the interest costs on the underlying debt obligations, the City is reflecting the obligation as long-term debt.

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2008 (in thousands of dollars)

2. Cash And Cash Equivalents

	Cost		Market	
	2007	2008	2007	2008
Cash	$ 11,596	$ 8,033	$ 11,596	$ 8,033
Treasury bills, provincial promissory notes, bankers acceptance, commercial paper	52,648	68,264	53,149	68,606
	$ 64,244	$ 76,297	$ 64,745	$ 76,639

Effective interest rates are 1.52 percent to 1.82 percent.

3. Receivables

It is the normal practice of the City to review its accounts receivable on a regular basis and write off, against current operating revenues, any accounts which are considered to be uncollectable. A general allowance of $1,202 (2007 - $1,597) for uncollectable taxes is included in the balance of Taxes Receivable.

4. Loan Receivable

City Bylaw No. 8418 was approved by City Council in 2005 to authorize a 15 year loan in the amount of $10,550 from the City to Saskatoon Soccer Centre Inc. for the construction of the North East Soccer Park, in Forest Park, in Saskatoon. The total annual payment under the loan is shared by Saskatoon Soccer Centre Inc. and the City resulting in an amount receivable from the Saskatoon Soccer Centre Inc. of $7,037 and a deferred grant of $3,513 that is amortized over the life of the loan payments. Interest is recognized as earned at 2.80 percent to 4.60 percent over the life of the loan. Security on the loan is by way of an assignment lease against the Henk Ruys Soccer Centre and the North East Soccer Park. The amount receivable and deferred grant as at the end of December 31, 2008 are $5,912 and $2,951 respectively.

5. Other Assets

	2007	2008
Deferred Charges	$ 5,184	$ 4,973
Other Inventory for Resale	182	194
	$ 5,366	$ 5,167

6. Investments

	Cost		Market	
	2007	2008	2007	2008
Federal, provincial, municipal, federal government agency, and corporate bonds.	$ 147,790	$ 150,554	$ 148,111	$ 157,833

Maturities are between 2009 - 2018 with effective interest rates of 1.08 percent to 5.25 percent.

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2008 (in thousands of dollars)

7. Net Taxes Available For Municipal Purposes

	2007	2008
Taxation Revenue	$ 263,505	$ 279,553
Taxes collected on Behalf of Others:		
Saskatoon School Division No. 13	(94,943)	(100,324)
St. Paul's Roman Catholic Separate School Division No. 20	(44,607)	(45,906)
Business Improvement Districts	(637)	(658)
Net taxes available for municipal purposes	$ 123,318	$ 132,665
Comprised of:		
Municipal	119,171	128,320
Grants in Lieu of Taxes	4,147	4,345
	$ 123,318	$ 132,665

The Education Act and The Cities Act set out the manner in which collection of taxes and trailer license fees are to be submitted to the School Boards and the Business Improvement Districts. As the City is acting as agent only for the collection of such taxes, these amounts are not reflected in the Schedule of Revenue and Expenditures, nor are the Assets, Liabilities, and Fund Balances of these Boards included in the consolidated financial statements.

8. Pension Plans

The City administers four employee pension plans - the General Superannuation Plan, the Police Superannuation Plan, the Fire and Protective Services Department Superannuation Plan, and the Part-Time and Seasonal Employee Superannuation Plan. Combined, these plans provide pension benefits for all eligible staff of the City. General, Police, and Fire Plans are contributory defined benefit plans. The Seasonal Plan is a defined contribution plan. In all Plans, contributions are made by Plan members and the City as stipulated by pension agreements. The defined benefit plans provide for a benefit that is integrated with CPP, and is based on years of contributory service times a percentage of average earnings as defined by each plan. The Part-Time and Seasonal Employee Superannuation Plan provides a benefit based on the annuity that can be purchased with the funds in an employee's account (i.e. a money purchase plan).

The accrued pension asset reflects the three main plans – the Retirement Plan for Employees of the City of Saskatoon Board of Police Commissioners, the Retirement Plan for Employees of the Fire and Protective Services Department of the City of Saskatoon, and the General Superannuation Plan for City of Saskatoon employees not covered by the Police and Fire and Protective Services Departments' Superannuation Plans. The General Plan provides for partial inflation protection on benefits accrued to December 31, 2000. Fire and Police plans have provided for partial ad hoc indexing from time to time in the past. The latest partial increase for the Fire and General Plan took effect January 1, 2008 and for the Police Plan took effect July 1, 2007. The average age of the 2,865 employees accruing service under the Plans is 43.67. There are 15 former employees who are entitled to deferred pension benefits. At present, the Plans provide benefits for 1,361 retirees and surviving spouses; benefit payments were $34 million in 2008.

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2008 (in thousands of dollars)

8. Pension Plans *(continued)*

Employees make contributions of approximately 6.8 percent of salary (7.0 percent for Police Plan members) and the City (Board of Police Commissioners) contributes an equal amount. In 2008, total contributions for current service were $24 million. A separate pension fund is maintained for each Plan. Pension fund assets are invested entirely in marketable investments of organizations external to the City. The pension liability at December 31 includes the following components:

	2007	2008
Accrued benefit obligation	$ (768,728)	$ (842,216)
Pension fund assets		
Marketable securities	847,613	777,292
	78,885	(64,924)
Unamortized actuarial (gains) losses	(11,173)	128,723
Accrued benefit asset	67,712	63,799
Valuation allowance	(2,700)	–
Net carrying value of accrued benefit asset	$ 65,012	$ 63,799

Actuarial valuations for accounting purposes are performed at least triennially using the projected benefit method prorated on services. The most recent valuations were prepared by AON Consulting for all three Plans as at December 31, 2007. The accrued benefit obligations shown for 2008 is based on an extrapolation of the 2007 valuations. There is a net unamortized actuarial loss to be amortized on a straight-line basis over the expected average remaining service life of the related employee groups applicable to each of the Plans (13.40 years on average).

The actuarial valuations were based on a number of assumptions about future events, such as inflation rates, interest rates, wage and salary increases, and employee turnover and mortality. The assumptions used represent the City's best estimates. The expected inflation rate is 3.5 percent (3.0 percent for the Fire Plan). The discount rate used to determine the accrued benefit obligation is 6.25 percent.

Pension fund assets are valued using a market-related value which amortizes realized and unrealized gains and losses over a five-year period. The expected rate of return on Plan assets is 6.25 percent. The actual rate of return on Plan assets in 2008 was -6.65 percent. The market value of assets at January 1, 2008 and December 31, 2008 was $856,982 and $706,628 respectively.

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2008 (in thousands of dollars)

8. Pension Plans *(continued)*

The total expenditures related to pensions in 2008 include the following components:

	2007	2008
Current period benefit cost	$ 26,121	$ 30,259
Less: Employee contributions	(9,598)	(11,944)
Plan amendments	9,177	3,799
Amortization of actuarial (gain) loss	190	(18)
Decrease in valuation allowance	(16,588)	(2,700)
Pension expenditure	9,302	19,396
Interest cost on the average accrued benefit obligation	46,311	48,841
Expected return on average pension plan assets	(51,624)	(55,208)
Pension interest expenditure	(5,313)	(6,367)
Total expenditures related to pensions	$ 3,989	$ 13,029

9. Accounts Payable

Included in liabilities is $6,089 (2007 - $4,655) of the estimated total landfill closure and post closure care expenditures of $6,324. The balance is included under Reserves (Landfill Reserve). The estimated liability for these expenditures is recognized as the landfill site's capacity is used and the reported liability represents the portion of the estimated total expenditures recognized as at December 31, 2008, based on the cumulative capacity used at that date, compared to the total estimated landfill capacity. Estimated total expenditures represent the sum of the discounted future cash flows for closure and post closure care activities discounted at the City's average long-term borrowing rate of 4.22 percent.

Landfill closure and post closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, pumping of ground water and leachates from the site, and ongoing environmental monitoring, site inspection, and maintenance. The reported liability is based on estimates and assumptions with respect to events extending over a forty-year period using the best information available to management. Future events may result in significant changes to the estimated total expenditures, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.

The estimated remaining capacity of the landfill is 39.61 percent of its total estimated capacity and its estimated remaining life is 20 years. The period for post closure care is estimated to be 40 years.

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2008 (in thousands of dollars)

10. Deferred Revenue

	2007	2008
Development Charges	$ 28,188	$ 40,536
Government Transfers	27,857	12,971
Ticket Sales and Other	10,516	17,358
	$ 66,561	$ 70,865

11. Long-Term Liabilities

a. Debt

Year Repayable	2007	2008
2008	$ 5,612	$ –
2009	4,846	10,322
2010	5,049	10,726
2011	5,269	11,156
2012	5,509	11,612
2013	3,559	9,888
2014	3,711	6,964
2015	3,874	7,258
2016	1,565	5,085
2017	1,634	5,296
2018	1,705	5,514
2019	1,781	1,781
2020	1,862	1,862
2021	821	821
2022	859	859
Total Debt	47,656	89,144
Sinking funds accumulated to retire debt	(910)	–
Net Debt	$ 46,746	$ 89,144

Interest rates range from 1.75 percent to 10.5 percent. All long-term debt instruments have been issued in Canadian Funds.

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2008 (in thousands of dollars)

11. Long-Term Liabilities *(continued)*

b. Derivative Financial Instruments

	2007	2008
Royal Bank Banker's Acceptance Loan - offering rate plus spread of 0.20% revolves quarterly at progressively smaller amounts until October 2013 (offering rate at December 31, 2008 was 2.68286%)	–	$ 15,000
Long-term financial instrument created by interest rate swap agreement - 3.00% terminates October 2013		(notional amount equal to above)
Royal Bank Banker's Acceptance Loan - offering rate plus spread of 0.20%, revolves quarterly at progressively smaller amounts until October 2018 (offering rate at December 31, 2008 was 2.68286%)	–	$ 32,100
Long-term financial instrument created by interest rate swap agreement - 3.58% terminates October 2018		(notional amount equal to above)
Total	–	$ 47,100

c. Regulations

The regulations under The Cities Act require that individual debenture issue bylaws be submitted, reviewed, and approved by the Saskatchewan Municipal Board (SMB) with the exception that an urban municipality with a population greater than 30,000 can apply to the SMB for a debt limit. The City's debt limit is $298,000 as approved by the SMB.

d. Long-term investments held by the City

Of the total long-term liabilities of $89,144 (2007 - $47,656) the following are held by the City as long-term investments:

	2007	2008
Consolidated Funds	$ 1,071	$ –

12. Employee Benefits Payable

Vacation leave is credited to employees on a monthly basis based on contractual obligations. Such credits are accumulated from the period April 1 to March 31 and may not be taken in advance. Therefore, credits earned from April 1, 2008 to December 31, 2008 would normally be available to employees after April 1, 2009.

The City operates a number of Sick Leave Benefit Plans as stipulated within agreements with the various Unions and Associations of employees. These plans are based on the accumulation of sick leave credits to a specified maximum, or are guaranteed long-term disability plans. For those Unions with accumulated sick leave plans, the employee is entitled to a cash payment under specified circumstances, including retirements, based upon a formula stipulated in the union agreements.

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2008 (in thousands of dollars)

12. Employee Benefits Payable *(continued)*

Employee benefits payable are recorded as financial liabilities on the Consolidated Statement of Financial Position, offset by a reduction in fund balances. The total of these liabilities is as follows:

	2007	2008
a) Vacation leave accrual	$ 13,850	$ 15,177
b) Sick leave credits	6,460	6,242
	$ 20,310	$ 21,419

13. Net Assets

	2007	2008
Fund Balances		
Funds to offset taxation or user charges in future years (Schedule 1)	$ 38,615	$ 35,049
Unexpended capital financing (Schedule 2)	97,793	127,151
Reserves (Schedule 3)	119,082	87,396
	$ 255,490	$ 249,596
Amounts to be Recovered		
Capital outlay financed by long-term liabilities to be recovered in future years (Note 1b(v))	(41,328)	(68,269)
Total Net Assets	$ 214,162	$ 181,327

14. Government Transfers

The following transfers have been included in revenues:

	2007	2008
Operating Transfers		
Federal	$ 607	$ 1,031
Provincial	22,775	25,856
	23,382	26,887
Capital Transfers		
Federal	12,757	23,248
Provincial	10,085	13,847
	22,842	37,095
	$ 46,224	$ 63,982

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2008 (in thousands of dollars)

15. Contingencies

a. Lawsuits

Various lawsuits and claims are pending by and against the City. Provisions have been made for any claims that are likely and the amount of the potential loss can be reasonably estimated. It is the opinion of management that final determination of any remaining claims will not materially affect the financial position of the City.

b. Contractual Obligations

The City has not entered into any long-term contractual obligations, the recognition of which would materially affect these financial statements.

16. Property Realized Reserve

The Property Realized Reserve, which is included on Schedule 3, is reported net of all withdrawals. This practice does not recognize the value of assets for property purchased but not yet sold, or repayable advances of funds. At December 31, 2008, the gross value of the Property Realized Reserve is estimated to be $56,536 (2007 - $59,302) itemized as follows:

	2007	2008
Gross Value of Reserve, December 31	$ 59,302	$ 56,536
Advances Repayable from Future Revenue Fund Provisions	(9,219)	(4,410)
Property Purchased from Reserve and not yet re-sold (at estimated cost)	(33,242)	(37,622)
Net Balance of Reserve, December 31, 2008	$ 16,841	$ 14,504

17. Trust Funds

The City administers two trust funds, the Cemetery Perpetual Care Fund and the Group Insurance Trust Fund. The reserve balances in these trusts are $3,008 (2007 - $2,924) and $95 (2007 - $176) respectively.

18. Expenditures By Object

The following is a summary of the expenditures reported on the Consolidated Statement of Financial Activities by object of expenditures:

	2007	2008
Capital Expenditures	$ 203,280	$ 216,214
Wages and Benefits	166,066	189,957
Contracted and General Services	80,568	93,065
Heating, Lighting, Power, Water, and Telephone	78,223	78,192
Materials, Goods and Supplies	18,392	22,763
Finance Charges	7,890	10,576
Donations, Grants and Subsidies	5,407	5,619
	$ 559,826	$ 616,386

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2008 (in thousands of dollars)

19. Comparative Figures

a. Reclassified to conform with current year

Certain comparative figures have been reclassified to conform with the current year's consolidated financial statements presentation.

20. Future Accounting Policies

a. Tangible Capital Assets

In September 2006, the CICA revised Section PS 3150, *Tangible Capital Assets*. This section establishes standards on how to account for and report tangible capital assets in government financial statements and will be applicable to financial statements for fiscal years beginning on or after January 1, 2009. This section applies to all levels of government, including local government. The impact of this section has not yet been determined.

Public Sector Guideline 7 requires the disclosure of tangible capital asset information in the notes to the financial statements to the extent that reliable information is available. The City is currently working on a plan to implement PS 3150 but as at December 31, 2008 the City does not have detailed tangible capital asset information to disclose. For the year ended December 31, 2008 tangible capital expenditures incurred during the year are recorded as capital expenditures in the consolidated statements of financial activities.

b. Financial Statement Concepts, Objectives and Presentation

In January 2007, the CICA revised Section PS 1000, *Financial Statement Concepts*, Section PS 1100, *Financial Statement Objectives* and Section PS 1200, *Financial Statement Presentation*. The revised Sections will be applicable to financial statements relating to fiscal years beginning on or after January 1, 2009. These sections will be applicable to local governments and replaces Section PS 1700, *Objective of Financial Statements – Local Governments*, and Section PS 1800, *General Standards of Financial Statement Presentation – Local Governments*. Section PS 1000 on financial statement concepts outlines the conceptual framework for accounting by governments. Section PS 1100 on financial statement objectives sets out the objectives related to government financial statements, reporting financial positions, annual results, changes in net debt and cash flows, and objectives related to legislative control and financial accountability. Section PS 1200 on presentation establishes standards for presentation and disclosure of information in government financial statements.

Schedule 1 - Schedule of Funds to Offset Taxation or User Charges in Future Years

For the Year Ended December 31, 2008 (in thousands of dollars)

	2007	2008
Balance, Beginning of Year	$ 34,704	$ 38,615
Transfer from Revenue Stabilization Reserve	1,843	1,432
Decrease in Employee Benefit Payables	(776)	(1,109)
Increase (Decrease) in Accrued Pension Asset	5,543	(1,213)
Increase in Landfill Closure/Post Closure Care Liability	(1,267)	(1,434)
Deficit for the Year (Schedule 5)	(1,432)	(1,242)
Balance, End of Year	$ 38,615	$ 35,049

Schedule 2 - Schedule of Capital Operations

For the Year Ended December 31, 2008 (in thousands of dollars)

	2007	2008	2008 Budget (unaudited)
Source of Funds			
Province of Saskatchewan	$ 10,046	$ 943	$ 708
Saskatchewan Water Corporation	27	712	677
Federal Gas Tax Program	–	11,327	–
Canada Strategic Infrastructure Fund	6,112	4,905	182
Municipal Rural Infrastructure Fund	2,114	4,656	1,507
Provincial Building Communities Program	–	3,650	944
Provincial Community Shares Program	–	1,753	–
Government of Canada	21	211	293
Cultural Capitals of Canada Program	1,058	776	–
Federal Transit Funding Program	3,434	6,839	11,800
Federation of Canadian Municipalities	52	35	–
Taxation	1,627	5,138	1,619
Utility Contribution	–	6,470	3,152
Borrowing	500	32,100	34,375
Contributions from Developers Benefitting Property Owners and Other Users	9,288	12,300	11,550
Appropriations			
From Reserves	160,084	165,072	148,570
	194,363	256,887	215,377
Expenditures			
General Government	4,332	6,337	2,659
Protection of Persons and Property	3,063	4,354	10,399
Transportation	55,071	40,097	39,864
Environmental Health	28,711	36,088	68,466
Social and Family Services	574	102	–
Planning and Development	4,889	11,462	7,335
Recreation and Culture	15,934	34,425	6,969
Property Purchases and Development	80,122	83,258	72,954
Saskatoon Light & Power Expansion and Replacements	9,857	11,406	6,731
	202,553	227,529	215,377
Increase (Decrease) in Unexpended Capital Financing	(8,190)	29,358	–
Unexpended Capital Financing, Beginning of Year	105,983	97,793	–
Unexpended Capital Financing, End of Year	$ 97,793	$ 127,151	$ –

Schedule 3 - Schedule of Reserves

For the Year Ended December 31, 2008 (in thousands of dollars)

	2007	2008
Replacement		
Albert Community Centre	$ 48	$ 50
Automated Garbage Containers	275	125
Access Transit	140	136
Boards:		
TCU Place	(515)	(460)
Saskatoon Public Library	1,825	2,262
Mendel Art Gallery	116	88
Credit Union Centre	1,023	1,080
Buildings and Ground Equipment	200	79
Bus Replacement	1,410	1,530
Civic Vehicles and Equipment	1,292	815
Saskatoon Light & Power	8,130	7,622
Computer Equipment	922	1,009
Fire Equipment	130	213
Fire Apparatus	741	(802)
Infrastructure Replacement:		
Surface Improvements	(1,070)	(66)
Water and Sewer Replacement	5,507	(10,166)
Parks	(736)	(310)
Storm Water Management	880	516
Landfill	757	1,538
Leisure Service Equipment	264	176
Photocopy Machine	318	348
Police - Vehicle/Radio	166	514
Radio Trunking	76	176
Wastewater Collection/Treatment	374	1,064
Water Utility	3,700	1,523
Weigh Scales	181	181
Balance, End of Year	$ 26,154	$ 9,241

Schedule 3 - Schedule of Reserves (continued)

For the Year Ended December 31, 2008 (in thousands of dollars)

	2007	2008
Future Expenditures		
Animal Services	$ 46	$ 76
Animal Trading - Zoo	64	51
Access Transit Stabilization	–	60
Affordable Housing - Capital	99	67
Affordable Housing - Operating	3,316	4,578
Boards:		
TCU Place	(116)	846
Saskatoon Public Library	8,443	9,482
Mendel Art Gallery	261	322
Credit Union Centre	2,527	3,487
Building Permits/Inspections	2,500	3,220
Campsite	84	171
Civic Buildings Comprehensive Maintenance	3,248	3,534
Civic Hospitality	22	54
Community Support Grant	41	67
Corporate Information Systems Development	295	274
Dedicated Lands	1,854	1,685
Dedicated Roadways	1,179	1,205
Downtown Housing	147	169
Saskatoon Light & Power Distribution Extension	329	68
Saskatoon Light & Power Revenue Stabilization	1,569	243
Fire Department Uniforms	386	554
Forestry Farm Park Development	33	65
Forestry Farm Auditorium	7	13
General Voting	79	132
Golf Course Capital	65	14
Golf Course Stabilization Reserve	–	108
Heritage Fund	278	287
Holiday Park Golf Course Development	180	293
Interest Stabilization	2,521	2,426
Land Bank	(504)	(23,379)
Land Operations	2,663	2,325
Neighbourhood Park Enhancement	685	776
Parking Facilities	1,186	1,090
Pest Control	65	65
Police Facilities Major Repair	947	213
Police Equipment	550	57
Subtotal to next page	$ 35,049	$ 14,698

Schedule 3 - Schedule of Reserves (continued)

For the Year Ended December 31, 2008 (in thousands of dollars)

	2007	2008
Future Expenditures (continued)		
Subtotal from previous page	$ 35,049	$ 14,698
Planning Levy	406	395
Prepaid Services	25,988	35,545
Property Realized	16,841	14,504
Public Works Building	(2)	12
Reserve for Capital Expenditures	800	785
Revenue Stabilization	1,832	399
Sinking Fund	623	702
Special Events	89	118
Spectator Ball Fields	8	–
Sports Participation	65	67
Storm Water Management Utility Stabilization	635	1,019
Streetscape	817	3,641
Sundry	7,054	3,773
Traffic Noise Attenuation	21	(956)
Traffic Safety	(57)	259
Transit Capital	171	302
Transportation Infrastructure Expansion	1	1,144
Urban Development Agreement	256	29
Vehicle and Equipment Acquisition	349	102
Waste Minimization	100	100
Wastewater Collection/Treatment Capital	(1,340)	361
Water and Wastewater Utility Stabilization	1,809	–
Water Capital Projects	1,413	1,088
Saskatchewan Infrastructure Growth Initiative Reserve	–	68
Balance, End of Year	92,928	78,155
Total Reserves, End of Year	$ 119,082	$ 87,396

Schedule 4 - Schedule of Financial Activities by Segment

For the Year Ended December 31, 2007 (in thousands of dollars)

	General Operating	Utility Operating	General Capital	Utility Capital	Library	Mendel	TCU Place	Credit Union Centre	Eliminations	Total Consolidated 2007
Revenues										
Taxation	$107,062	$ –	$ 1,627	$ –	$ 11,960	$ –	$ –	$ –	$ (4,478)	**$ 119,171**
Grants in Lieu of Taxes	24,905	–	–	–	–	–	–	–	(20,758)	**4,147**
User Charges	19,346	210,082	–	213	397	408	8,951	13,496	(32,885)	**220,008**
Federation of Canadian Municipalities	–	–	52	–	–	–	–	–	–	**52**
Government Transfers	22,262	–	18,249	4,563	595	525	–	–	30	**46,224**
Investment Income	9,766	–	–	–	–	–	74	229	688	**10,757**
Contribution from Developers	–	–	11,615	557	–	–	–	–	93,966	**106,138**
Other	54,315	–	–	–	–	6	–	–	4,130	**58,451**
Borrowing	–	–	–	–	–	–	–	–	(32,100)	**–**
From Reserves	–	–	133,999	32,888	–	–	–	–	(166,887)	**–**
Utility Contribution	–	–	–	–	–	–	–	–	–	**–**
Total Revenues	237,656	210,082	165,542	38,221	12,952	939	9,025	13,725	(123,194)	**564,948**
Expenditures										
General Government	30,830	–	4,240	–	–	–	–	–	(10,468)	**24,602**
Protection of Persons and Property	95,737	–	2,998	–	–	–	–	–	(4,065)	**94,670**
Transportation	49,140	28,018	46,939	6,974	–	–	–	–	(29,066)	**102,005**
Environmental Health	9,241	56,753	10,373	17,731	–	–	–	–	(28,256)	**65,842**
Social and Family Services	1,906	–	562	–	–	–	–	–	(39)	**2,429**
Planning and Development	15,996	–	4,786	–	–	–	–	–	(770)	**20,012**
Recreation and Culture	30,400	–	21,983	–	12,678	919	8,834	13,435	(7,674)	**80,575**
Property Purchases and Development	4,744	–	75,123	–	–	–	–	–	–	**79,867**
Saskatoon Light & Power	–	98,550	–	9,649	–	–	–	–	(25,103)	**83,096**
Debt Servicing Costs	3,623	4,817	–	–	–	–	–	–	(1,712)	**6,728**
Total Expenditures	241,617	188,138	167,004	34,354	12,678	919	8,834	13,435	(107,153)	**559,826**
Excess (Deficiency) of Revenues over Expenditures	$ (3,961)	$ 21,944	$ (1,462)	$ 3,867	$ 274	$ 20	$ 191	$ 290	$(16,041)	**$5,122**

Schedule 4 - Schedule of Financial Activities by Segment

For the Year Ended December 31, 2008 (in thousands of dollars)

	General Operating	Utility Operating	General Capital	Utility Capital	Library	Mendel	TCU Place	Credit Union Centre	Eliminations	Total Consolidated 2008
Revenues										
Taxation	$ 115,195	$ –	$ 5,138	$ –	$ 12,805	$ –	$ –	$ –	$ (4,818)	**$ 128,320**
Grants in Lieu of Taxes	25,017	–	–	–	–	–	–	–	(20,672)	**4,345**
User Charges	19,984	213,072	26	628	384	405	13,406	21,146	(34,586)	**234,465**
Federation of Canadian Municipalities	–	–	–	35	–	–	–	–	–	**35**
Government Transfers	25,802	–	25,606	10,189	638	448	–	–	1,299	**63,982**
Investment Income	8,328	–	–	–	–	–	88	166	4,108	**12,690**
Contribution from Developers	–	–	23,152	198	–	–	–	–	53,661	**77,011**
Other	59,718	–	–	–	–	20	–	–	2,965	**62,703**
Borrowing	–	–	31,600	500	–	–	–	–	(32,100)	–
From Reserves	–	–	127,202	37,870	–	–	–	–	(165,072)	–
Utility Contribution	–	–	–	6,470	–	–	–	–	(6,470)	–
Total Revenues	254,044	213,072	212,724	55,890	13,827	873	13,494	21,312	(201,685)	**583,551**
Expenditures										
General Government	32,443	–	6,379	–	–	–	–	–	(12,844)	**25,978**
Protection of Persons and Property	93,955	–	4,383	–	–	–	–	–	(4,004)	**94,334**
Transportation	55,195	31,203	28,337	12,025	–	–	–	–	(32,423)	**94,337**
Environmental Health	10,452	61,924	5,819	30,508	–	–	–	–	(22,948)	**85,755**
Social and Family Services	2,151	–	103	–	–	–	–	–	(42)	**2,212**
Planning and Development	17,390	–	11,538	–	–	–	–	–	(1,441)	**27,487**
Recreation and Culture	33,881	–	36,676	–	13,920	878	13,583	21,168	(9,537)	**110,569**
Property Purchases and Development	3,180	–	76,886	–	–	–	–	–	(1,065)	**79,001**
Saskatoon Light & Power	–	114,296	–	11,482	–	–	–	–	(39,432)	**86,346**
Debt Servicing Costs	4,819	5,289	–	–	–	–	–	–	259	**10,367**
Total Expenditures	253,466	212,712	170,121	54,015	13,920	878	13,583	21,168	(123,477)	**616,386**
Excess (Deficiency) of Revenues over Expenditures	$ 578	$ 360	$ 42,603	$ 1,875	$ (93)	$ (5)	$ (89)	$ 144	$ (78,208)	**$ (32,835)**

Schedule 5 - Schedule of Revenues and Expenditures

For the Year Ended December 31, 2008 (in thousands of dollars)

	2007	2008	2008 Budget (unaudited)
Revenues			
Taxation	$ 107,062	**$ 115,195**	$ 114,984
Grants in Lieu of Taxes	24,905	**25,017**	25,444
Services Provided to Other Governments	828	**870**	828
Sale of Services	25,814	**27,168**	29,646
Other Revenues from Own Sources	37,355	**38,422**	37,537
Transfers from Other Governments	22,262	**25,802**	24,832
Other Transactions	19,430	**21,569**	21,570
Total Revenues for the Year (Appendix 1)	237,656	**254,043**	254,841
Expenditures			
General Government	31,496	**32,209**	32,926
Protection of Persons and Property	89,804	**95,430**	94,451
Transportation	50,202	**54,838**	52,285
Environmental Health	8,146	**8,959**	8,525
Social and Family Services	1,947	**2,137**	2,022
Planning and Development	16,342	**17,280**	16,589
Land Management	4,744	**3,181**	6,289
Recreation and Culture	31,058	**33,658**	34,714
Debt Servicing Costs	5,349	**7,593**	7,040
Total Expenditures for the Year (Appendix 2)	239,088	**255,285**	254,841
Deficit	$ (1,432)	**$ (1,242)**	$ -

Appendix 1 - Schedule of Revenues

For the Year Ended December 31, 2008 (in thousands of dollars)

	2007	2008	2008 Budget (unaudited)
Taxation			
Property Levy	$ 106,656	$ 115,328	$ 115,002
Local Improvements Levy	40	–	–
Municipal Services Agreement	108	116	104
Trailer Occupancy	74	116	78
Amusement	415	57	44
Tax Discounts	(82)	(102)	(85)
Contribution Capital	(149)	(320)	(159)
	107,062	115,195	114,984
Grants in Lieu of Taxes			
Senior Governments and Agencies	4,146	4,345	4,250
Own Utilities - Saskatoon Light & Power	15,770	15,391	21,139
Own Utilities - Water	2,725	2,912	–
Own Utilities - Wastewater	2,061	2,148	–
Own Utilities - Transit	121	122	–
Land Bank Program	82	99	55
	24,905	25,017	25,444
Services Provided to Other Governments			
R.M. of Corman Park	60	60	60
Provincial Government	768	810	768
	828	870	828

Appendix 1 - Schedule of Revenues (continued)

For the Year Ended December 31, 2008 (in thousands of dollars)

	2007	2008	2008 Budget (unaudited)
Sale of Services			
Legal Fees	$ 132	$ 123	$ 143
Tax Searches and Enforcement	215	189	210
Police	974	954	727
Fire	172	153	82
Engineering	29	248	242
Parking	3,186	4,065	4,093
Solid Waste Management	3,435	3,306	3,463
Environmental Protection	296	306	174
Transportation	157	172	157
Cemetery	693	748	792
Planning	302	340	312
Tourist Campsite	322	392	295
Forestry Farm Park	428	680	434
Kinsmen Park Rides	149	160	186
Albert Community Centre	131	134	128
Marr Residence	1	–	1
Swimming Pools	294	301	313
Golf Courses	2,355	2,656	2,782
Skating Rinks	1,569	1,625	1,627
Rentals	2,926	3,339	3,330
Programming	3,076	3,845	3,617
Ball Fields	34	35	34
Outdoor Sports Fields	194	210	214
Land Administration Fee	4,744	3,180	6,290
River Landing	–	7	–
	25,814	27,168	29,646
Other Revenues from Own Source			
Licence and Permits	4,377	4,806	3,357
Fines and Penalties	4,641	5,288	5,270
Automated Enforcement Fines	692	954	680
Property Rentals	744	1,029	807
Franchise Fees	16,044	16,764	16,735
Interest Earnings	9,766	8,328	9,324
Tax Penalties	1,001	914	1,100
Other Revenue	90	339	264
	37,355	38,422	37,537

Appendix 1 - Schedule of Revenues (continued)

For the Year Ended December 31, 2008 (in thousands of dollars)

	2007	2008	2008 Budget (unaudited)
Transfers from Other Governments			
Federal:			
Police	$ 387	$ 376	$ 271
Community Development	72	67	85
City Clerk's - Special Programs	5	17	18
Gas Tax Program	–	373	–
Provincial:			
Revenue Sharing	17,776	20,541	20,541
West Nile Virus Control	262	223	–
Police - Special Programs	2,990	3,323	3,084
Fire - Special Programs	78	78	78
Access Transit	578	599	595
Community Development	92	162	137
Social Development	–	20	–
Dutch Elm Disease	22	23	23
	22,262	25,802	24,832
Other Transactions			
Utility Return on Investment	17,499	18,088	18,093
Administrative Recovery	1,847	1,895	1,895
Other	84	86	82
Land Bank	–	1,500	1,500
	19,430	21,569	21,570
Total Revenues	$ 237,656	$ 254,043	$ 254,841

Appendix 2 - Schedule of Expenditures

For the Year Ended December 31, 2008 (in thousands of dollars)

	2007	2008	2008 Budget (unaudited)
General Government			
Legislative	$ 940	$ 1,074	$ 1,173
Administrative	6,701	7,268	7,020
Financial	4,538	4,717	5,082
Assessment	2,546	2,580	2,803
Common Services	14,453	15,298	16,338
General Payroll Costs	1,150	4	174
Other	532	954	1
Local Improvement Tax on Exempt Properties	3	–	–
Grants	50	50	50
Tax Abatements	583	264	285
	31,496	32,209	32,926
Protection of Persons and Property			
Police	54,349	57,671	58,408
Province of Saskatchewan - Court Costs	996	1,164	1,033
Automated Enforcement Costs	692	954	680
Fire	28,330	29,882	30,203
Emergency Measures	149	168	195
Inspections	3,565	3,902	2,547
Animal and Pest Control	1,723	1,689	1,385
	89,804	95,430	94,451
Transportation			
Engineering	2,164	2,927	2,761
Roads and Streets	3,249	3,142	3,571
Drainage and Snow Removal	5,811	4,966	4,747
Street Cleaning	1,744	1,902	1,594
Bridges, Crossings, Subways	412	451	516
Street Lighting	4,115	4,234	4,209
Transportation Services	11,740	12,863	12,177
Parking	2,841	3,195	3,133
Transit Operations-Excludes Surplus	15,709	18,355	16,793
Access Transit	2,417	2,803	2,784
	50,202	54,838	52,285

Appendix 2 - Schedule of Expenditures (continued)

For the Year Ended December 31, 2008 (in thousands of dollars)

	2007	2008	2008 Budget (unaudited)
Environmental Health			
Waste Collection and Disposal	$ 7,195	$ 7,779	$ 7,572
Environmental Protection	951	1,180	953
	8,146	8,959	8,525
Social and Family Services			
Cemetery	906	957	941
Burial of Indigents	31	38	28
Social Housing Facilitation	93	115	112
White Buffalo Youth Lodge	105	109	109
Safer City	25	43	30
Detoxification Centre	100	100	100
Grants	687	702	702
Social Development	–	73	–
	1,947	2,137	2,022
Planning and Development			
Planning	3,249	3,135	3,267
Buildings and Grounds Maintenance	10,256	10,836	10,569
Tourist Campsite	322	392	295
Tourism Saskatoon	358	365	365
Economic Development	1,384	1,800	1,321
Meewasin Valley Authority	640	640	640
Business Improvement Districts	86	106	106
Urban Design	47	6	26
	16,342	17,280	16,589

Appendix 2 - Schedule of Expenditures (continued)

For the Year Ended December 31, 2008 (in thousands of dollars)

	2007	2008	2008 Budget (unaudited)
Property Purchases and Development			
Land Management	$ 4,744	$ 3,181	$ 6,289
	4,744	3,181	6,289
Recreation and Culture			
Administration	1,938	1,951	2,102
Forestry Farm Park	1,672	1,943	1,870
Community Services	2,484	2,625	2,828
Kinsmen Park Rides	157	196	197
Albert Community Center	194	218	219
Marr Residence	14	15	19
Swimming Pools	1,704	1,708	1,843
Golf Courses	2,401	2,655	2,782
Skating Rinks	1,841	1,875	1,937
Recreation/Competitive Facilities:			
Rentals	6,248	6,662	6,825
Programming	4,781	5,885	5,945
Ball fields	223	239	239
Outdoor Sports Fields	295	306	306
Boards:			
Credit Union Centre	559	559	559
TCU Place	1,302	1,412	1,412
Mendel Art Gallery	1,715	1,864	1,864
River Landing	–	77	–
Building Maintenance	626	370	601
Program Development	1,401	1,561	1,629
Subsidy-Minor Sports	1,119	1,103	1,103
Wanuskewin Heritage Park	184	184	184
Special Events	200	250	250
	31,058	33,658	34,714
Debt Servicing Costs			
Debt Charges	4,487	6,317	5,769
Interest Paid to Utilities	707	1,120	1,121
Banking Services	155	156	150
	5,349	7,593	7,040
Total Expenditures	$ 239,088	$ 255,285	$ 254,841

Appendix 3 - Water Utility Statement of Revenues and Expenditures

For the Year Ended December 31, 2008 (in thousands of dollars)

	2007	2008	2008 Budget (unaudited)
Revenues			
Metered	$ 30,812	$ 32,395	$ 33,271
Infrastructure Levy	3,405	3,577	3,678
Miscellaneous	129	114	124
Fire Protection Charge	602	603	603
Late Payment Penalties	141	137	134
	35,089	36,826	37,810
Expenditures			
General	6,003	5,968	6,036
Laboratory	–	386	337
Treatment and Pumping	7,036	7,645	7,327
Buildings and Grounds	433	663	622
Meters	1,011	979	1,128
Watermains	4,771	5,666	4,965
Hydrants	551	705	720
Services	1,628	1,732	1,519
Contribution to Capital Reserves	8,769	8,864	9,028
Debt Charges	5,755	6,128	6,128
	35,957	38,736	37,810
Deficit Before Transfer from Reserve	(868)	(1,910)	–
Transfer from Stabilization Reserve	868	1,905	–
Deficit	$ –	$ (5)	$ –

Appendix 4 - Wastewater Utility Statement of Revenues and Expenditures

For the Year Ended December 31, 2008 (in thousands of dollars)

	2007	2008	2008 Budget (unaudited)
Revenues			
Metered	$ 22,209	$ 23,658	$ 24,680
Infrastructure Levy	4,702	4,940	5,079
Late Payment Penalties	94	92	90
Miscellaneous	603	474	592
Flood Protection Levy	2,211	2,250	2,200
	29,819	31,414	32,641
Expenditures			
General	4,653	4,469	4,428
Laboratory	–	402	420
Lift Stations	892	857	964
Pollution Control Plant	4,859	5,179	5,156
Sludge Handling and Disposal	1,826	1,946	1,880
Sewer Engineering	317	314	341
Sewer Inspections	219	188	350
Sewer Maintenance	1,635	2,001	2,689
Service Connections	1,306	1,741	2,038
Contribution to Capital Reserves	12,053	12,058	12,212
Debt Charges	1,174	2,163	2,163
	28,934	31,318	32,641
Surplus Before Transfer to Reserve	885	96	–
Transfer to Stabilization Reserve	(885)	(96)	–
Surplus (Deficit)	$ –	$ –	$ –

Appendix 5 - Storm Water Management Utility Statement of Revenues and Expenditures

For the Year Ended December 31, 2008 (in thousands of dollars)

	2007	2008	2008 Budget (unaudited)
Revenues			
Metered	$ 2,503	$ 3,297	$ 3,273
Late Payment Penalties	10	9	10
	2,513	3,306	3,283
Expenditures			
General	220	207	267
Storm Sewer Engineering	196	191	202
Storm Sewer Maintenance	626	657	868
Drainage	363	303	382
Contribution to Capital Reserves	1,039	1,564	1,564
	2,444	2,922	3,283
Surplus Before Transfer to Reserve	69	384	–
Transfer to Stabilization Reserve	(69)	(384)	–
Surplus (Deficit)	$ –	$ –	$ –

Appendix 6 - Saskatoon Light & Power Utility Statement of Revenues and Expenditures

For the Year Ended December 31, 2008 (in thousands of dollars)

	2007	2008	2008 Budget (unaudited)
Revenues			
Metered	$ 105,107	$ 102,587	$ 105,198
Municipal Surcharge	10,510	10,258	10,520
Service Connection Fee	490	434	499
Miscellaneous	391	463	427
Tax Collection Commission	2	2	2
Late Payment Penalties	235	229	224
	116,735	113,973	116,870
Expenditures			
General	19,666	19,549	19,739
Power Purchased	64,208	63,683	65,329
Buildings and Grounds	623	560	604
Poles, Lines, and Feeders	2,984	3,387	3,228
Substations	335	729	724
Street Lighting	1,042	915	824
Meters	945	1,026	966
System Operations	99	85	92
Provision for Capital Extension	1,364	1,241	1,364
Provision for Capital Replacement	6,479	6,031	5,907
	97,745	97,206	98,777
Surplus Before Transfer (to) from Reserve	18,990	16,767	18,093
Transfer (to) from Stabilization Reserve	(1,491)	1,326	-
Surplus	$ 17,499	$ 18,093	$ 18,093

Appendix 7 - Transit Utility Statement of Revenues and Expenditures

For the Year Ended December 31, 2008 (in thousands of dollars)

	2007	2008	2008 Budget (unaudited)
Revenues			
Mail Carriers	$ 18	$ 9	$ 11
Passes	4,474	5,260	5,314
Cash Fares	1,997	2,061	1,807
Ticket Sales	1,717	1,466	1,815
Charter	767	740	851
Senior Citizens' Passes	324	362	339
General Services Operating Allowance	14,806	16,793	16,793
Advertising	314	375	456
Province of Saskatchewan	606	487	540
	25,023	27,553	27,926
Expenditures			
General	1,798	2,103	2,036
Transportation:			
Planning	322	319	377
Operating	12,005	13,033	12,779
Supervision	1,240	1,594	1,459
Customer Services	612	570	545
Equipment Servicing	6,902	8,067	7,433
Equipment Repair	548	576	474
Stores	114	156	113
Buildings	879	890	903
Contribution to Capital Reserves	1,748	1,807	1,807
	26,168	29,115	27,926
Deficit Before Transfer from Reserve	(1,145)	(1,562)	–
Transfer from Stabilization Reserve	242	–	–
Deficit	$ (903)	$ (1,562)	$ –

TRUST FUNDS
City of Saskatoon
Saskatchewan Canada

Auditors' Report

Deloitte & Touche LLP Chartered Accountants

His Worship the Mayor and City Council:

We have audited the Balance Sheet of the Trust Funds of the City of Saskatoon as at December 31, 2008 and the Statement of Changes in Net Assets for the year then ended. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Trust Funds of the City of Saskatoon as at December 31, 2008 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP

Chartered Accountants
Saskatoon, Saskatchewan

April 24, 2009

Trust Funds - Balance Sheet

As at December 31, 2008 (in thousands of dollars)

	2007 Total	2008 Cemetery Perpetual Care	2008 Group Insurance Trust	2008 Total
Assets				
Cash and Cash Equivalents	$ 423	$ 237	$ 94	$ 331
Accounts Receivable	4	5	–	5
Accrued Interest	29	23	1	24
Investments	2,671	2,771	–	2,771
	3,127	3,036	95	3,131
Liabilities and Net Assets				
Accounts Payable	27	28	–	28
Net Assets	3,100	3,008	95	3,103
	$ 3,127	$ 3,036	$ 95	$ 3,131

See accompanying notes.

Trust Funds - Statement of Changes in Net Assets

For the Year Ended December 31, 2008 (in thousands of dollars)

	2007 Total	2008 Cemetery Perpetual Care	2008 Group Insurance Trust	2008 Total
Increase in Net Assets				
Sale of Cemetery Plots	$ 68	$ 78	$ –	$ 78
Interest Earned	152	144	6	150
	220	222	6	228
Decrease in Assets				
Transfer to Revenue Fund	221	138	87	225
	221	138	87	225
Increase (Decrease) in Net Assets	(1)	84	(81)	3
Net Assets, Beginning of Year	3,101	2,924	176	3,100
Net Assets, End of Year	$ 3,100	$ 3,008	$ 95	$ 3,103

See accompanying notes.

Trust Funds - Notes to the Financial Statements

For the Year Ended December 31, 2008 (in thousands of dollars)

1. Accounting Policies

Basis of Accounting

a. Trust Funds

The Trust Funds operate on the accrual basis of accounting. Any interest earned but not received as at December 31 has been recorded in Accrued Interest.

2. Investments

a. Trust Funds

The total of investments of $2,771 (2007 - $2,671) recorded on the Balance Sheet at cost, have a market value of $3,000 (2007 - $2,874) at December 31. Investments consist of provincial promissory notes and federal, provincial, municipal government, and corporate bonds with an effective interest rate ranging from 1.076 percent to 5.213 percent.

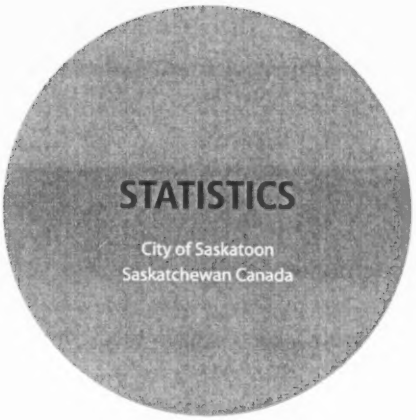
3. Fund Purpose

a. Group Insurance Trust Fund

Premiums are shared equally between the employer and the employee. Surpluses are generated when premiums exceed administration charges and claims payments by the carrier. A portion of the accumulated funds are used to reduce both the employer's and employee's premiums. In the event of a surplus, under the terms of the Underwriting Agreement, the claims Fluctuation Reserve held by the Group Insurance Trust Fund for 2008 must be at least 25 percent of premiums paid, or $258.

b. Cemetery Perpetual Care Trust Fund

The Perpetual Care Fund is intended to provide the necessary annual funding for the maintenance services to the cemetery in perpetuity.

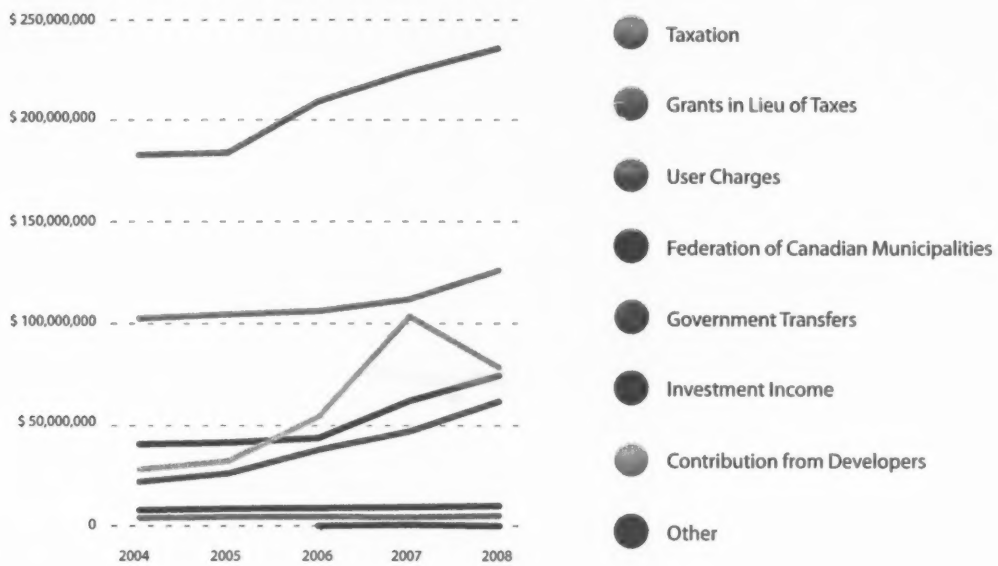

STATISTICS
City of Saskatoon
Saskatchewan Canada

Consolidated Revenues and Expenditures

For the Years Ended December 31, 2004 to 2008 (in thousands of dollars)

	2004	2005	2006	2007	2008
Consolidated Revenues					
Taxation	$ 103,055	$ 109,133	$ 112,775	$ 119,171	**$ 128,320**
Grants in Lieu of Taxes	3,753	4,154	4,181	4,147	**4,345**
User Charges	181,696	186,602	205,392	220,008	**234,465**
Federation of Canadian Municipalities	–	–	16	52	**35**
Government Transfers	18,889	22,934	31,281	46,224	**63,982**
Investment Income	9,030	10,804	10,007	10,757	**12,690**
Contribution from Developers	29,980	36,588	55,617	106,138	**77,011**
Other	45,244	46,795	47,538	58,451	**62,703**
Total Revenues	$ 391,647	$ 417,010	$ 466,807	$ 564,948	**$ 583,551**

Consolidated Revenues

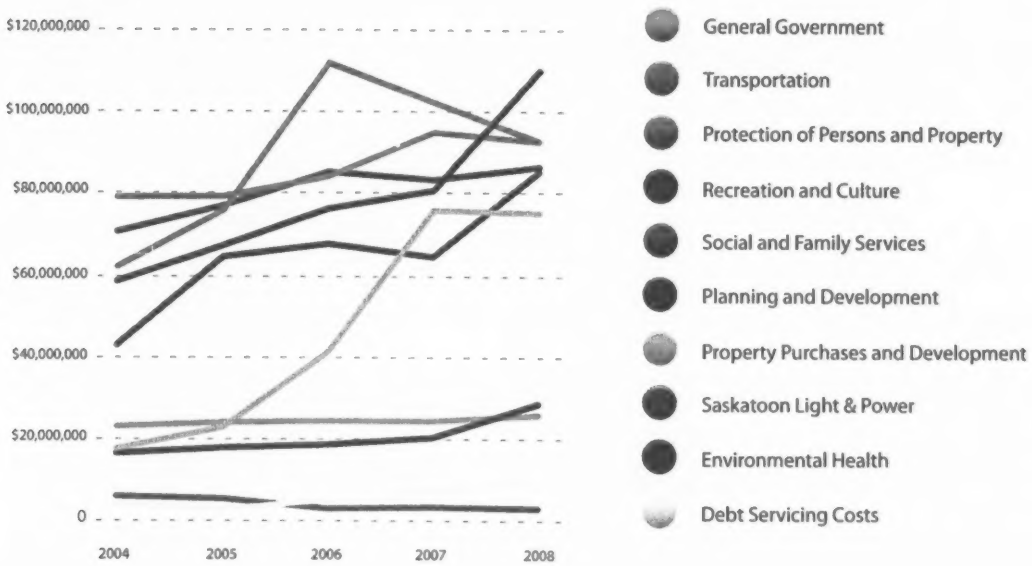


Consolidated Revenues and Expenditures (continued)

For the Years Ended December 31, 2004 to 2008 (in thousands of dollars)

	2004	2005	2006	2007	2008
Consolidated Expenditures					
General Government	$ 23,160	$ 24,024	$ 24,507	$ 24,602	**$ 25,978**
Transportation	62,085	78,460	113,864	102,005	**94,337**
Protection of Persons and Property	79,037	79,332	83,179	94,670	**94,334**
Recreation and Culture	59,358	66,684	74,130	80,575	**110,569**
Social and Family Services	5,034	4,315	2,140	2,429	**2,212**
Planning and Development	16,917	17,406	18,715	20,012	**27,487**
Property Purchases and Development	18,826	23,370	41,807	79,867	**79,001**
Saskatoon Light & Power	71,427	77,818	85,186	83,096	**86,346**
Environmental Health	44,022	63,191	67,986	65,842	**85,755**
Debt Servicing Costs	4,259	3,896	4,082	6,728	**10,367**
Total Expenditures	$ 384,125	$ 438,496	$ 515,596	$ 559,826	**$ 616,386**
Excess (Deficiency) of Revenues over Expenditures	$ 7,522	$ (21,486)	$ (48,789)	$ 5,122	**$ (32,835)**

Consolidated Expenditures



Summary of Revenues

For the Years Ended December 31, 2004 to 2008 (in thousands of dollars)

- 45.3% Taxation
- 15.1% Other Revenue from Own Sources
- 10.7% Sales of Services
- 10.2% Transfer from Other Governments
- 9.9% Grants in Lieu of Taxes
- 8.5% Other Transactions
- 0.3% Services Provided to Other Governments

	2004	2005	2006	2007	2008
Taxation	$ 92,013	$ 97,795	$ 101,104	$ 107,062	**$ 115,195**
Grants in Lieu of Taxes	20,004	21,332	22,646	24,905	**25,017**
Services Provided to Other Governments	1,261	803	807	828	**870**
Sale of Services	17,932	18,461	18,748	25,814	**27,168**
Other Revenues from Own Sources	30,956	33,803	34,178	37,355	**38,422**
Transfers from Other Governments	13,586	13,462	18,219	22,262	**25,802**
Other Transactions	17,136	17,808	17,448	19,430	**21,569**
	$ 192,888	$ 203,464	$ 213,150	$ 237,656	**$ 254,043**

Summary of Expenditures

For the Years Ended December 31, 2004 to 2008 (in thousands of dollars)

- 37.4% Protection of Persons and Property
- 21.5% Transportation
- 13.2% Recreation and Culture
- 12.6% General Government
- 6.8% Planning and Development
- 3.5% Environmental Health
- 3.0% Debt Servicing Costs
- 1.2% Land Management
- 0.8% Social and Family Services

	2004	2005	2006	2007	2008
General Government	$ 25,738	$ 27,995	$ 29,939	$ 31,496	**$ 32,209**
Protection of Persons and Property	72,116	75,676	82,063	89,804	**95,430**
Transportation	38,887	40,543	44,865	50,202	**54,838**
Environmental Health	6,054	6,265	6,556	8,146	**8,959**
Social and Family Services	3,946	3,761	1,922	1,947	**2,137**
Planning and Development	13,491	13,846	14,899	16,342	**17,280**
Land Management	18,826	23,370	41,807	4,744	**3,181**
Recreation and Culture	27,072	28,178	29,795	31,058	**33,658**
Debt Servicing Costs	4,249	4,494	4,954	5,349	**7,593**
	$ 210,379	$ 224,128	$ 256,800	$ 239,088	**$ 255,285**

Summary of Capital Operations

For the Years Ended December 31, 2004 to 2008 (in thousands of dollars)

	2004	2005	2006	2007	2008
Sources of Funds					
Province of Saskatchewan	$ 385	$ 358	$ 8,152	$ 10,046	$ 943
Saskatchewan Water Corporation	–	23	250	27	712
Canada Strategic Infrastructure Fund	–	–	–	6,112	4,905
Federal Gas Tax Program	–	–	3,647	–	11,327
Municipal Rural Infrastructure Fund	–	1,502	399	2,114	4,656
Canada/Saskatchewan Infrastructure Program	3,730	5,225	34	–	–
Provincial Building Communities Program	–	–	–	–	3,650
Provincial Community Shares Program	–	–	–	–	1,753
Government of Canada	–	–	59	21	211
Cultural Capitals of Canada Program	–	–	30	1,058	776
Transport Canada	82	137	–	–	–
Federal Transit Funding Program	–	–	–	3,434	6,839
Federation of Canadian Municipalities	–	–	16	52	35
Taxation	225	50	1,376	1,627	5,138
Utility Contribution	–	–	–	–	6,470
Borrowing	–	21,841	–	500	32,100
Contributions from Developers Benefitting Property Owners and Other Users	5,558	5,820	15,250	9,288	12,300
Appropriations:					
Sinking Fund	–	–	3,000	–	–
Operating Surplus	–	100	500	–	–
Reserves	80,708	97,903	127,836	160,084	165,072
	90,688	132,959	160,549	194,363	256,887
Application of Funds					
General Government	4,176	4,033	3,002	4,332	6,337
Protection of Persons and Property	1,618	1,688	1,799	3,063	4,354
Transportation	23,250	35,711	60,357	55,071	40,097
Environmental Health	11,568	26,308	27,553	28,711	36,088
Social and Family Services	1,234	541	737	574	102
Planning and Development	3,749	3,597	3,633	4,889	11,462
Recreation and Culture	4,017	6,373	8,237	15,934	34,425
Property Purchases and Development	15,672	24,000	36,162	80,122	83,258
Saskatoon Light & Power Expansion and Replacements	8,699	9,431	10,302	9,857	11,406
	73,983	111,682	151,782	202,553	227,529
Increase (Decrease) in Unexpended Capital Financing	16,705	21,277	8,767	(8,190)	29,358
Unexpended Capital Financing, Beginning of Year	59,234	75,939	97,216	105,983	97,793
Unexpended Capital Financing, End of Year	$ 75,939	$ 97,216	$ 105,983	$ 97,793	$ 127,151

Consolidated Summary of Expenditures (by object code)

For the Years Ended December 31, 2004 to 2008 (in thousands of dollars)

	Wages and Benefits	Contracted and General Services	Donations, Grants, Subsidies	Heating, Light, Power, Water, Telephone	Materials, Goods, Supplies	Finance Charges	Capital Expenditures	Total
General Government	$ 17,759	$ 3,531	$ 393	$ 130	$ 1,023	$ 14	$ 3,128	**$ 25,978**
Protection of Persons and Property	74,587	13,639	140	497	1,024	–	4,447	**94,334**
Transportation	32,437	10,735	–	4,694	6,236	71	40,164	**94,337**
Environmental Health	17,928	29,716	–	3,630	3,221	–	31,260	**85,755**
Social and Family Services	542	626	745	58	137	1	103	**2,212**
Planning and Development	8,546	3,518	2,137	1,208	548	7	11,523	**27,487**
Recreation and Culture	31,712	24,967	2,204	4,009	9,855	1,194	36,628	**110,569**
Property Purchases and Development	1,341	1,257	–	8	15	–	76,380	**79,001**
Saskatoon Light & Power	5,105	5,076	–	63,958	704	–	11,503	**86,346**
Debt Servicing Costs	–	–	–	–	–	9,289	1,078	**10,367**
Total 2008	**$ 189,957**	**$ 93,065**	**$ 5,619**	**$ 78,192**	**$ 22,763**	**$ 10,576**	**$ 216,214**	**$ 616,386**
Total 2007	$ 166,066	$ 75,824	$ 5,407	$ 78,223	$ 18,392	$ 7,890	$ 203,280	$ 555,082
Total 2006	$ 180,014	$ 71,622	$ 5,114	$ 76,409	$ 16,081	$ 4,550	$ 161,806	$ 515,596
Total 2005	$ 160,665	$ 65,105	$ 4,507	$ 69,690	$ 15,619	$ 4,268	$ 118,642	$ 438,496
Total 2004	$ 152,643	$ 63,665	$ 4,085	$ 66,594	$ 13,247	$ 4,713	$ 79,178	$ 384,125

Summary of Public Utilities Operating Results

For the Years Ended December 31, 2004 to 2008 (in thousands of dollars)

	2004	2005	2006	2007	2008
Net surplus after deducting operating expenses, debt charges and contributions to reserves:					
Saskatoon Light & Power	$ 15,407	$ 15,999	$ 15,582	$ 17,499	**$ 18,093**
Transit System (before contribution from General Revenue)	(11,680)	(12,465)	(13,222)	(15,709)	**(18,355)**
Net Surplus	$ 3,727	$ 3,534	$ 2,360	$ 1,790	**$ (262)**
Amount contributed by Utilities to Revenue as Grant in Lieu of Taxes	$ 16,203	$ 17,169	$ 18,440	$ 20,677	**$ 20,573**

Summary of Reserves and Surplus

For the Years Ended December 31, 2004 to 2008 (in thousands of dollars)

	2004	2005	2006	2007	2008
Reserves					
Property Realized	$ 21,907	$ 19,906	$ 7,833	$ 16,841	**$ 14,504**
Replacement	30,896	27,994	24,554	26,154	**9,241**
Future Expenditures	88,170	81,691	67,223	76,087	**63,651**
Surplus (Deficit)	1,335	2,706	(1,843)	(1,432)	**(1,242)**
	$ 142,308	$ 132,297	$ 97,767	$ 117,650	**$ 86,154**

Summary of Long-Term Debt and Required Sinking Fund Consolidation of All Obligations

As at December 31, 2004 to 2008

	2004	2005	2006	2007	2008
Total Long-Term Debt	$ 23,192,246	$ 48,125,223	$ 42,719,327	$ 47,656,006	**$ 89,144,000**
Less Sinking Fund	3,064,218	2,689,183	1,459,273	910,144	**–**
	$ 20,128,028	$ 45,436,040	$ 41,260,054	$ 46,745,862	**$ 89,144,000**
Population Estimate at Dec. 31 (1)	205,900	206,500	207,200	208,300	**209,400**
Gross Debt Per Capita	$ 113	$ 233	$ 206	$ 229	**$ 426**
Net Debt Per Capita	$ 98	$ 220	$ 199	$ 224	**$ 426**
Mill Rate Supported Debt	$ 69	$ 121	$ 110	$ 145	**$ 353**
Legal Debt Limit	$ 298,000,000	$ 298,000,000	$ 298,000,000	$ 298,000,000	**$ 298,000,000**
Debt servicing costs as a percentage of total expenditures	1.110%	0.890%	0.790%	1.210%	**0.660%**

(1) Population data is provided by the City Planning Branch, derived from Statistics Canada census data.

Summary of Long-Term Debt and Required Sinking Fund By Responsibility Centre

For the Year Ended December 31, 2008

	2007	Sinking Fund at Dec. 31/07	2008	Sinking Fund at Dec. 31/08
Waterworks Utility	$ 9,095,706	$ 637,668	**$ 9,627,020**	$ –
Wastewater Utility	8,071,751	(27,275)	**5,593,980**	–
Local Improvements - Property Share (1)	325,294	311,973	–	–
Total Debt Not Supported by Civic Mill Rate	$ 17,492,751	$ 922,366	**$ 15,221,000**	$ –
Total Civic Mill Rate Debt	$ 30,163,255	$ (12,222)	**$ 73,923,000**	$ –
Total Long-Term Debt	$ 47,656,006		**$ 89,144,000**	
Total Sinking Fund	(910,144)			
Net Debt (2)	$ 46,745,862		**$ 89,144,000**	
Population Estimate at Dec. 31 (3)	208,300		**209,400**	
Gross Debt Per Capita	$ 229		**$ 426**	
Net Debt Per Capita	$ 224		**$ 426**	
Mill Rate Supported Debt	$ 145		**$ 353**	

(1) Including City share of Water and Wastewater Local Improvements.
(2) All figures are based on book values and have not been adjusted for foreign currency exchange.
(3) Population data is provided by the City Planning Branch, derived from Statistics Canada census data.

Long-Term Debt Maturing With Percentages

As at December 31, 2008

Year	Debentures Maturing	Percentage Yearly	Percentage Reduction Accumulated
2009	$ 10,322,000	11.580%	11.580%
2010	10,726,000	12.030%	23.610%
2011	11,156,000	12.520%	36.130%
2012	11,612,000	13.030%	49.160%
2013	9,888,000	11.090%	60.250%
2014	6,964,000	7.810%	68.060%
2015	7,258,000	8.140%	76.200%
2016	5,085,000	5.700%	81.900%
2017	5,296,000	5.940%	87.840%
2018	5,514,000	6.190%	94.030%
2019	1,781,000	2.000%	96.030%
2020	1,862,000	2.090%	98.120%
2021	821,000	0.920%	99.040%
2022	859,000	0.960%	100.000%
Total	**$ 89,144,000**	**100.000%**	

Summary of Property Assessment and Tax Levy

For the Years Ended December 31, 2004 to 2008

	2004	2005*	2006	2007	2008
Gross Assessments	$ 8,944,970,489	$ 10,179,196,988	$ 10,362,452,800	$ 10,535,989,990	**$10,727,114,965**
Exemptions	2,136,589,287	2,377,784,262	2,357,374,005	2,380,698,125	**2,378,230,390**
Assessed Value for Taxation	$ 6,808,381,202	$ 7,801,412,726	$ 8,005,078,795	$ 8,155,291,865	**$ 8,348,884,575**
	Mills	Mills	Mills	Mills	**Mills**
Tax Rate:					
General	13.35	12.27	12.45	12.98	**13.67**
Library	1.58	1.42	1.43	1.45	**1.52**
Education:					
Public Board/ Separate Board	18.84	17.10	17.58	18.07	**18.78**
Total	33.77	30.79	31.46	32.50	**33.97**
	$ 238,184,852	$ 242,572,222	$ 252,905,014	$ 262,313,610	**$ 277,404,968**
Property Roll Collections:					
Current	$ 234,268,076	$ 240,523,030	$ 250,106,925	$ 260,549,795	**$ 275,395,743**
Arrears	7,229,023	6,554,429	7,409,207	6,383,337	**4,949,478**
Total Collected	$ 241,497,099	$ 247,077,459	$ 257,516,132	$ 266,933,132	**$ 280,345,221**
Percentage of Levy Collected:					
Current	97.34%	94.34%	94.54%	93.89%	**97.79%**
Current and Arrears	96.69%	93.72%	93.33%	93.62%	**97.55%**
Taxes Outstanding:					
Current	$ 6,532,495	$ 5,912,631	$ 5,212,455	$ 3,835,898	**$ 4,822,306**
Arrears	2,425,158	3,142,864	2,393,853	1,924,893	**1,095,263**
Net Outstanding	$ 8,957,653	$ 9,055,495	$ 7,606,308	$ 5,760,791	**$ 5,917,569**

* Reassessment

Economic Highlights

Saskatoon Economic Statistics

For the Years Ended December 31, 2004 to 2008 (in thousands of dollars)

	2004	2005	2006	2007	2008
Saskatoon population (December 31)*:	205,900	206,500	207,200	208,300	**209,400**
Annual change	0.300%	0.300%	0.330%	0.530%	**0.530%**
Saskatoon inflation rate - annual change	2.100%	2.300%	2.100%	3.400%	**3.900%**
Saskatoon unemployment rate - annual average	8.000%	6.600%	5.900%	5.700%	**5.700%**
No. of Persons Employed in Saskatoon	122,200	126,400	128,000	135,500	**138,200**
Saskatoon Building Permits:					
Total Number	2,481	2,444	2,709	3,672	**3,516**
Total Value	$ 217,500	$ 276,600	$ 323,400	$ 549,400	**$ 610,200**
Annual Change	(6.100)%	27.200%	16.900%	69.900%	**11.070%**

* Population data is provided by the City Planning Branch, derived from Statistics Canada census data.

Sources of Information:
Statistics Canada
City of Saskatoon - Planning Branch, Community Services Department

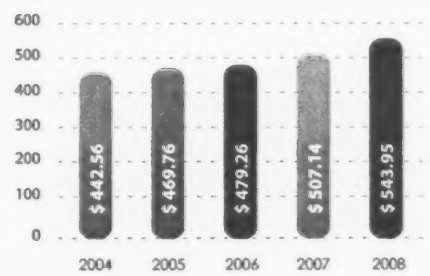
Major Taxpayers in Saskatoon

2008 Taxable Assessment (in thousands of dollars)

Centre At Circle & Eighth Property Inc.	$ 63,308
Midtown Plaza Inc.	58,859
Boardwalk Reit Properties Holdings Ltd.	48,504
Westfair Properties Ltd.	44,085
101042414 Saskatchewan Ltd.	31,581
Maple Leaf Foods	31,168
2055190 Ontario Ltd.	30,944
Saskatoon Airport Authority	28,396
959630 Alberta Inc.	27,910
CNH Canada Ltd.	27,787
Preston Crossing Properties Inc.	27,775
First Line Properties Ltd.	20,063
Confederation Shopping Centre Inc	19,858
Saskatoon Co-operative Association Ltd.	19,073

Municipal Property Tax

(Per Capita)



Economic Highlights (continued)

Building Permits Statistics for 2008 vs 2007

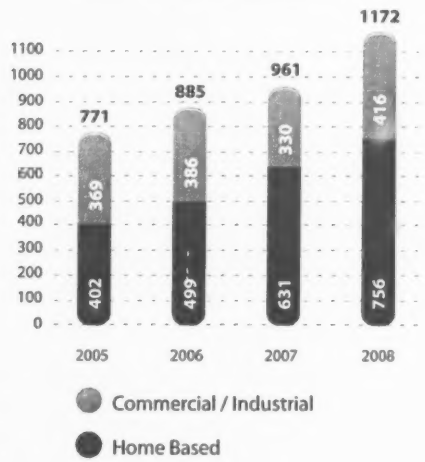
	Number of Permits			Construction Value ($million)		
Category	Dec 31/08	Dec 31/07	Change %	Dec 31/08	Dec 31/07	Change %
Residential	**2458**	2565	-4.2%	**$ 110.7**	$ 125.1	-11.5%
Apartments and Housing Projects	**232**	270	-14.1%	**$ 92.2**	$ 98.4	-6.3%
Commercial	**319**	299	6.7%	**$ 120.0**	$ 81.0	48.1%
Industrial	**174**	146	19.2%	**$ 87.2**	$ 63.5	37.3%
Institutional and Assembly	**87**	75	16.0%	**$ 177.7**	$ 82.0	116.7%
Other (includes demolition permits)	**246**	317	-22.4%	**$ 22.4**	$ 99.4	-77.5%
Total	**3516**	3672	-4.2%	**$ 610.2**	$ 549.4	11.1%

Summary of Major Projects Approved in 2008

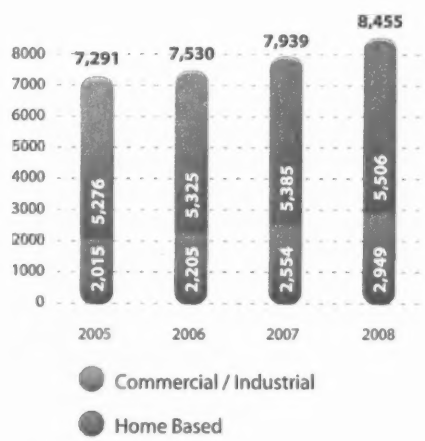
(in millions of dollars)

Academic Health Sciences	$	123.3	(Included in "Institutional & Assembly" above)
New Hospital - Centre for Mental Health	$	19.1	(Included in "Institutional & Assembly" above)
New Apartment - Retirement Residence	$	18.5	(Included in "Apartments & Housing Projects" above)
New Office Building - Cameco	$	17.6	(Included in "Commercial" above)

New Licensed Businesses

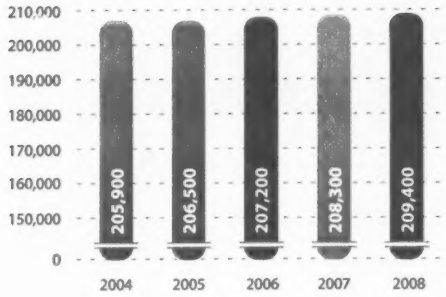


Total Licensed Businesses

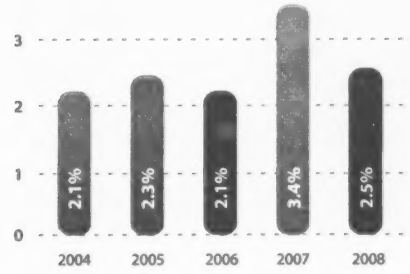


Key Statistics

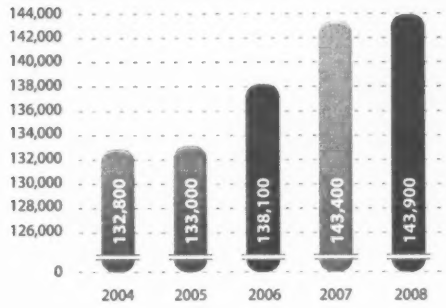
Population
(as at December 31st)



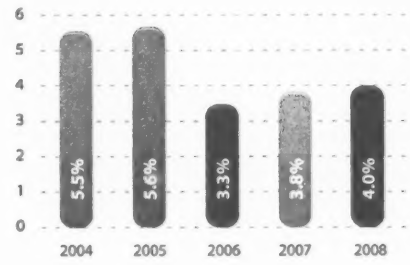
Average Annual Consumer Price Index



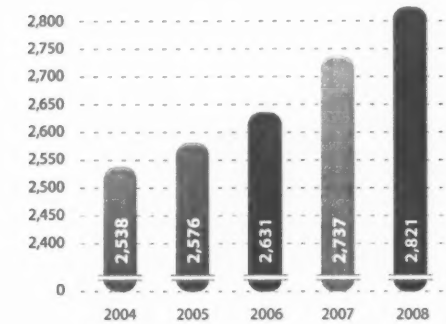
Labour Force
(for month of December)



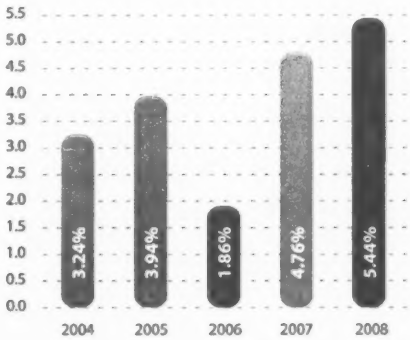
Unemployment
(for month of December)

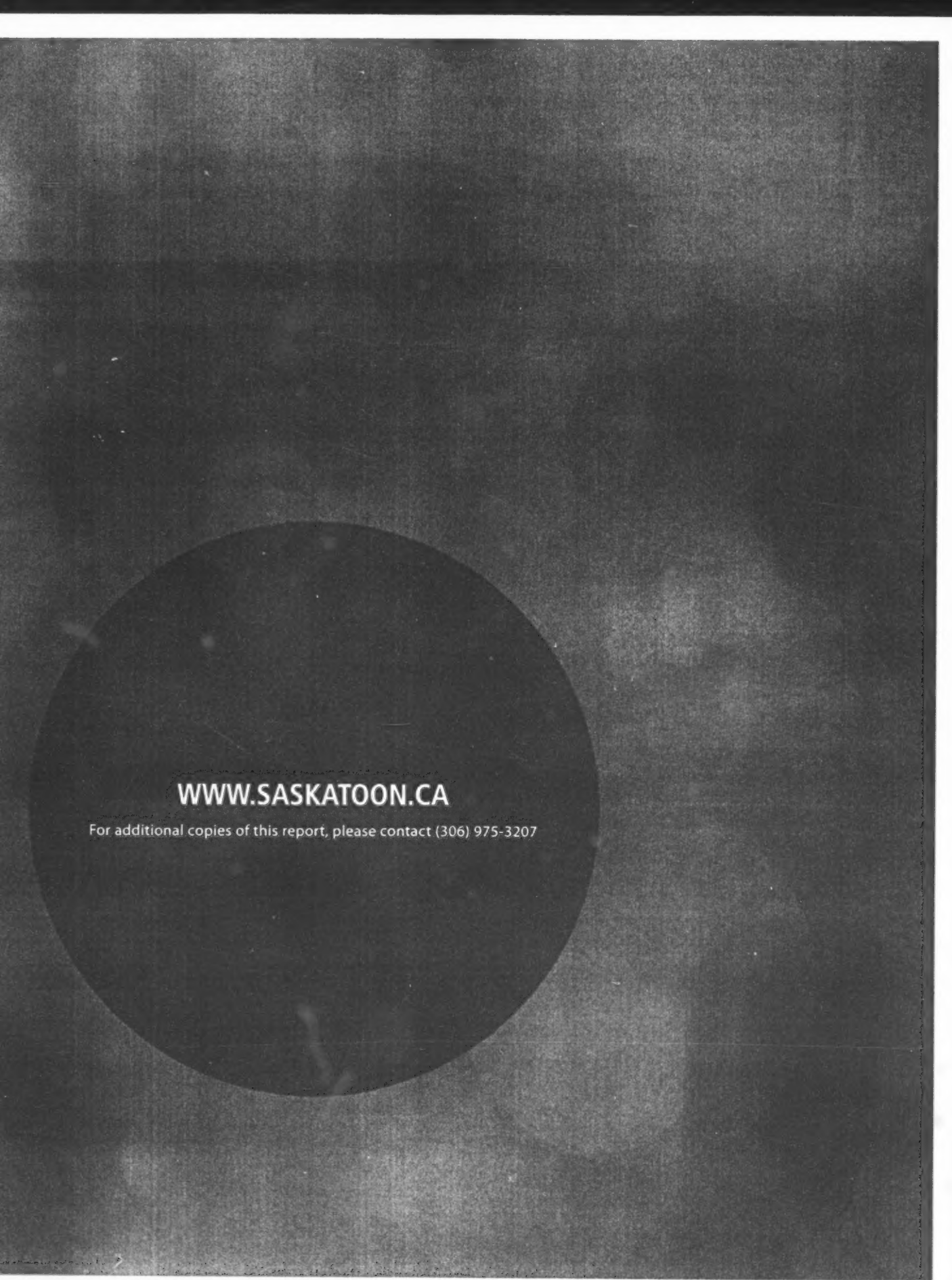


Municipal Budgeted Staff Years
Including Boards and Commissions - excluding Library



Mill Rate Increase

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